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ABSTRACT

This is the third hearing in a series of four conducted to exercise con- gressional oversight of the Food Distribution Program of the Department of Agriculture. The following witnesses presented testimony, statements, and exhibits pertinent to this purpose: Honorable Efrain Santiago, Secretary of Social Services, Commonwealth of Puerto Rico; Senator Eagleton of Missouri; Proctor N. Carter, Director, State Division of Welfare, Missouri; David McCullough, Director, Food Distribution Program, San Diego County, California; Warren H. Breland, Executive Director, Freeport, Long Island Economic Opportunity Council, Inc.; and, Richard Lyng, Assistant Secretary, Consumer and Marketing Service, Department of Agriculture. Appendix One, items pertinent to the hearing of September 22, 1971, includes such items as selected data on the Food Distribution Program, a study as of July 1971, Long Island Peoples Association (LIPA) Food Centers--store locations, and an organizational chart of the LIPA. Appendix Two, items pertinent to the hearing of September 23, 1971, includes such items as field review process, operating expense funds, post office issuance, and a letter of September 16, 1971 from Department of Social Welfare, County of Ventura, California. Appendix Three (letters and articles of interest) includes, as information previous to the hearings, letters submitted by Senator Percy, the Office of Emergency Preparedness, the Department of Agriculture, and the Agriculture Research Service. (JM)

ED 058346

# NUTRITION AND HUMAN NEEDS—1971

## HEARINGS

BEFORE THE

## SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

OF THE

## UNITED STATES SENATE

NINETY-SECOND CONGRESS

FIRST SESSION

ON

## NUTRITION AND HUMAN NEEDS

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## PART 8B—FOOD DISTRIBUTION PROGRAM

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WASHINGTON, D.C., SEPTEMBER 22, 23, 1971

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EDUCATION & WELFARE
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FOOD DISTRIBUTION PROGRAM:
Part 8A—September 15, 16, 1971
Part 8B—September 22, 23, 1971

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# FOOD DISTRIBUTION PROGRAM

WEDNESDAY, SEPTEMBER 22, 1971

U.S. SENATE
SELECT COMMITTEE ON
NUTRITION AND HUMAN NEEDS
*Washington, D.C.*

The Select Committee met at 10:05 a.m., pursuant to call, in room S407, of the Capitol, Senator Percy, presiding.

Present: Senators Percy, Ellender and Eagleton.

Staff present: Judah C. Sommer, minority counsel; Elizabeth P. Hottell, professional staff.

## OPENING STATEMENT OF SENATOR PERCY, PRESIDING

Senator PERCY. I call these hearings to order.

This is the third hearing in a series of four conducted to exercise congressional oversight of the Food Distribution Program of the U.S. Department of Agriculture. Last week we heard statements from recipients who spoke of the inequities and hardships of receiving food under this program. Also, we heard from several members of private industry who pointed out ways in which the USDA was deficient in administering this program. They also suggested how the current system could be improved.

Today we hear testimony from two State directors and two county directors. They will discuss the roles of their respective levels of government vis-a-vis USDA in running this program.

I understand that Senator Eagleton wanted to introduce Mr. Carter, director of the State Division of Welfare of Missouri. Is Mr. Carter in the room?

He is not.

We might proceed, and then when Senator Eagleton comes in—I understand he is testifying elsewhere—we can interrupt our proceedings so that he might introduce our second witness.

We will call first the Honorable Efrain Santiago, Secretary of Social Services, Commonwealth of Puerto Rico.

Mr. Santiago, we welcome you, we are delighted to have you here. You are scheduled first because we understand you have a plane connection to make back. We are happy to have your testimony this morning.

## STATEMENT OF HONORABLE EFRAIN SANTIAGO, SECRETARY OF SOCIAL SERVICES, COMMONWEALTH OF PUERTO RICO

Mr. SANTIAGO. Mr. Chairman, I appreciate the opportunity of being here; and the opportunity that you gave me to be the first witness, since I have to leave.

I have with me our Washington representative, Art Borden, and the Director of the Food Distribution Program, Juan Enrique Lopez, from Puerto Rico.

Mr. Chairman, distinguished members of this committee, my name is Efrain Santiago. I am the Secretary of the Department of Social Services of the Government of Puerto Rico.

It is a great honor for me to appear before you to testify about the Food Distribution Program which is operated on our island by the Department of Social Services.

Puerto Rico is an island with 3,435 square miles with a population of 2.8 million inhabitants. The relationship of the stated factors shows that the population density is about 800 people per square mile, making it one of the most densely populated areas of the world. In fact, it is among the first four.

I would like to add here that if the United States had the population per square mile that Puerto Rico has, I think that we would have in the Nation about 1.2 billion persons living here.

If we were to analyze the population according to the available farming land, we would have to place it No. 1 in population density. The income per capita, at the end of the fiscal year rose to $1,427, which represents approximately 37 percent of the per capita income of the rest of the Nation. In addition, a total of 245,000 families, or nearly 42 percent of the total, have an income of less than $3,000.

## Area of Extreme Poverty

Applying to Puerto Rico the national criteria based on income per family, it would be considered as an area of extreme poverty.

Nevertheless, the prevalent cost of living on the island is higher than any of the contiguous States of the Nation. Proof of this is that Federal employees working in Puerto Rico receive a cost-of-living allowance. One of the principal reasons for this high cost of living is that Puerto Rico imports most of the consumable articles, in fact per capita it leads by far all other importers of U.S. goods. According to testimony reported to this committee last April, the same food items purchased in a supermarket in San Juan cost 13.2 percent more than in Boston. For additional information concerning comparison of food costs between San Juan and other U.S. cities see appendix B.*

The picture that I have just presented, which is not too rosy, is quite favorable when compared to the conditions existing in 1956 when the program of food distribution was first introduced in Puerto Rico. In 1957 this program was implemented to provide for the families receiving economic assistance, public health cases, and private and public institutions.

The program began operations under the administration of the Department of Health. In January 1969, it was consolidated under the new Department of Social Services. In 1968 the growth of the program showed that 87,000 families were entitled to receive a variety of 15 articles of which they usually received an average of nine.

These foods represented a market value of $21,897,600 and $1,675,400 were used for administration costs. At that time 80 distribution

*See app. 1, p. 2412.

centers were operating across the island, supplied from two central warehouses, located in San Juan and Ponce. The comparative data of the last 3 years is found in appendix A.*

PROGRAM IMPROVEMENTS

During the period that the program has operated under the Department of Social Services it has improved as follows:

There are 112,500 families now participating, an increase of 25,600 families over 1968, or about 30 percent;

The number of articles available has increased from 15 to 21;

The average received by the family has doubled from 9 to 18;

The total pounds distributed increased from 77.6 to 136.5 millions.

These foods represent an increase in value of $13.3 million. The cost of administration of the program also increased by $969,784, mainly because of salary and rent increases. The distribution centers now number 86 of which 14 have been relocated improving physical facilities at the local level. In addition, three general warehouses have been opened in Humacao, Mayaguez, and San Juan, providing for more flexibility and faster resupply.

It should be noted that this program is operated at a State level under my direct supervision without any local government intervention thus facilitating its administration.

Other improvements introduced are the organization of distribution centers styled after the supermarkets and the use of a mobile distribution system to areas far away from the distribution centers and to rural zones. This latest innovation reduces the expense of transportation of the clients and keeps the mother from leaving the children alone while she looks for the food.

The orientation of recipients as to the use and better preparation of the foods has proved to be very beneficial. We contracted with the University of Puerto Rico for training, and now we have acquired three mobile kitchens for use in the demonstrations and cooking during emergencies. In this respect, I have requested from USDA that foods be included which are more desirable to Puerto Rican taste, such as fresh vegetables and other locally produced articles—canned soups, tripe, rice and peas, plantains, pineapples, stew, juices.

In the administration of this program we encounter serious difficulties. The main one is lack of sufficient operating funds.

I must point out that of the funds allocated by the USDA for the operation of the program, Puerto Rico received $324,458 in fiscal year 1970, $822,937 in fiscal year 1971, and will receive $1,231,021 in fiscal year 1972. This represents only $2 per recipient. On a national basis the operating funds provided by the USDA average $5 per person. If we were to receive the average, funds for Puerto Rico would be around $3 million.

The USDA uses a formula for calculating the operating funds which go to the various States. In spite of the fact that there is no legislative restriction concerning the participation of Puerto Rico in this program, the Department administratively decided not to apply this formula to Puerto Rico. Instead 12.5 percent of the operating

*See app. 1, p. 2411.

fund moneys were set aside for the operating expenses of Indian tribes, Puerto Rico and outlying areas of the United States. This amounts to a total of $2.4 million. Of this, Puerto Rico is to receive $1.2 million for fiscal year 1972. The formula is based on per capita income and the number of poor in the State. I have been informed by the USDA that we would receive $3 million if the formula were applied to Puerto Rico.

### Decision Made on Administrative Basis

The decision made on an administrative basis surprises me. In a number of the programs of the Federal Government there are legislative restrictions applied to Puerto Rico which restrict the flow of funds to the Commonwealth. When Congress puts these restrictions in the law it is understandable that the Agency has to follow the law. However, in every other case that I know of where the law treats Puerto Rico as a State, the Agency involved treats Puerto Rico as a State and the corresponding funds are provided for the island. Among the many examples that can be cited are the vocational rehabilitation program and the drug programs of the National Institute of Mental Health. Both of them are run by my agency.

There are even a few examples of legislation requiring the maximum of Federal participation due to the greater needs of Puerto Rico. An example of this Hill-Burton program which finances the construction of hospitals. The law provides that the Federal participation shall be between 33 and 66 percent. However, there is a clause in this law that states that the Federal percentage of participation has to be 66 percent.

Also this happened in the drug program where the matching funds were 75 percent Federal Government and 25 percent State money; and, because of the conditions that Puerto Rico has right now, the formula has been changed to 90–10. The Federal Government gives us 90 percent of the money and we have to put in just 10 percent.

At present the program owns 23 vehicles, some 9 years old, but in order to supply the necessary delivery to its centers it is necessary to contract private transportation. In fiscal year 1971, $452,897 were used for this purpose.

As for the general storage, the existing facilities only allow the storage of enough food for less than 1 month's operation. Since Puerto Rico depends upon maritime shipment, it is indispensable that we maintain reserves to last for 3 months, thus being able to take care of emergencies due to strikes, hurricanes, floods, et cetera. Due to the strike here in the States, the railroad strike, we were not able to get one of the articles that we use the most—that is rice. We were without rice for quite a bit of time.

### Report Cites Necessity

I take advantage of the occasion to inform you that the study submitted by A. T. Kearney & Co. to the USDA includes, as a necessity, that sufficient storage be provided so that these objectives may be attained. These include, among others, that the foods be at the proper time and place when needed, be palatable and acceptable to recipients, and relevant to their dietary needs.

Other immediate needs of the program are enlarging local centers to cover the minimal needs. We are confronted also with the needs of personnel to take care of clients efficiently. We have determined that an attempt is required for every 30 families. Actually we have 173 employees to take care of 112,500 families.

In addition to the limitations that we have expressed we have projected our program for the next year and have included in my appendix A* the pertinent tables.

President Nixon has stated the need to eliminate hunger from this Nation. Therefore we are planning to alleviate malnutrition among the working poor by expanding the actual program to include families of five members who have an annual income under $2,100. This amendment would add about 100,000 new families to the program.

Should these 100,000 families be included in the program as requested in a recently proposed plan of operations, additional funds will be required for its operation.

If Puerto Rico receives the necessary funds for the administration of this proposed program, we will, among other things, expand from 182,000 to 405,000 square feet the storage area of the general warehouses and expand from 181,000 to 336,000 square feet the distribution centers.

This projection is based on the demonstrated experience that, in order to serve efficiently the families, it is necessary to provide 2 square feet per family in general warehouses and 3 square feet in local distribution centers.

Senator PERCY. Mr. Santiago, I wonder if you would mind suspending your testimony for a moment so that Senator Eagleton can introduce his witness and then he will excuse himself.

Mr. SANTIAGO. Mr. Chairman I would be very happy to.

Senator PERCY. Senator Eagleton.

## STATEMENT OF SENATOR EAGLETON

Senator EAGLETON. Thank you very much, Mr. Santiago, and thank you, Mr. Chairman, for permitting me to break in at this awkward time. We are working on the water pollution bill and I am due over there, so I appreciate the opportunity to present to you for later testimony Mr. Proctor Carter, the Director of the Missouri Division of Welfare, who is accompanied by his deputy, Mr. Roy Ferguson, who is in charge of the commodity program, and they will testify with respect to food distribution in Missouri.

I would like to commend you and the committee for holding this series of hearings. Congress has devoted a great deal of attention to the Food Stamp and School Lunch Programs. Very little attention has been paid to the commodity program, yet this program constitutes the only source of food assistance to families in almost one-third of the Nation's counties.

The commodity program looms even larger in Missouri where, out of a total of 114 counties, only 10 counties and the city of St. Louis are in the Food Stamp Program, meaning that 100-plus are still on the commodity program, so it is of substantial interest to us.

*See app. 1, p. 2411.

### Confusion and Crisis in Missouri

Mr. Carter will describe for you the sequence of events that has led to the present confusion and crisis in the funding of this program in Missouri. I would like to preface his testimony with this brief statement.

In May 1969, President Nixon declared that the time had come "to put an end to hunger in America itself for all time." Since that time considerable progress has been made.

But now we see disturbing signs on every hand that progress is being wound down.

A moratorium has been imposed on the expansion of the Food Stamp Program.

Proposed new school lunch regulations would mean, at best, no expansion—and very probably, reverse progress—in our effort to provide free and reduced price lunches for all of the Nation's needy schoolchildren.

We are told that welfare reform will obviate the need for family food programs. But welfare reform has been postponed.

Twenty-two Missouri counties have applications on file with the Department of Agriculture for the Food Stamp Program. These include, for instance, Jackson County, which is our second largest county—and includes Kansas City—which desperately wants to switch to food stamps. But USDA can offer Jackson County officials little hope and no assurance that they will ever be included in that program.

Coupled with this moratorium on expansion of the Food Stamp Program, the State of Missouri will receive $350,000 less this year than it received last year to operate the commodity distribution program.

Therefore, Mr. Chairman, I think it is clear that if we are to meet the commendable goal set by President Nixon we will need to rely on, improve, and expand the present food assistance programs for the foreseeable future. And I know that this committee will give this problem its careful and judicial attention, as it has to matters of this type in the past.

Thank you very much.

Senator Percy. Senator, we thank you very much for being here, and we will look forward to hearing from Mr. Carter.

### Luncheon of Commodity Foods

I invite you to attend our luncheon tomorrow. We are going to have the members of this committee have luncheon in room 318 immediately after our hearings. Luncheon will be composed entirely of commodity food as distributed in the program. We are selecting it at random. USDA is taking it from the shelves in Richmond, Va., which is the closest warehouse. It will be prepared by our chefs right here in the Senate. And my young daughter, who is here and who is quite an expert in cooking, will assist in that regard just before she leaves for college.

Senator Eagleton. Wonderful.

Senator Percy. So we invite you. I hesitate to talk about cooking in front of the senior chef in the Senate—the chef extraordinaire, I might

say, Senator Ellender. And, Senator Ellender, we are very pleased to have you here. Would you care to make any statement at this time?

Senator ELLENDER. Thank you very much for the compliment. I have to go to the Senate at 11, but I will stay as long as I can.

Senator PERCY. Well, we are happy to have you. The need, we felt, to analyze this program originated with so many complaints coming in. Many of these complaints have been directed against USDA. I feel this is unfair because they are restrained and restricted by a certain amount of legislation we have passed over the years. But the lack of variety in foods, the lack of responsiveness to local conditions and local food habits, just as in Puerto Rico, are examples of USDA's responsibility. When there was a shortage, you supply something else, because you are losing one of the main food staples that Puerto Ricans depend on.

So I am very pleased to have you here. We do hesitate to invite you to lunch with someone else cooking, but tomorrow we would be very happy to have you there, and we would love to have you supervise also the preparation of these foods.

Mr. Santiago, would you please continue, and thany you for the interruption.

## CONTINUED STATEMENT OF EFRAIN SANTIAGO

Mr. SANTIAGO. Thank you, Mr. Chairman.

As I was saying, actually we now have only 14 local distribution centers that meet this requirement. Due mainly to the limitations of space and adequate transportation facilities, in fiscal year 1971 out of 191 million pounds authorized for distribution only 132 million pounds actually reached the recipients, limiting their consumption by 59 million pounds.

The above mentioned facts emphasize the need for more funds to properly administer the program.

In addition to the particular problems which have been mentioned concerning Puerto Rico, the same problems that exist in other areas also exist in Puerto Rico. For example, we have found some of the packaging inadequate, particularly the canned milk. In addition, there is a great lack of refrigeration. As most of you realize, the climate of Puerto Rico is quite warm and refrigeration is a necessity for some of the items. Recently we received 3 months supply of cheese at one time. Needless to say, much of this could spoil before it can be distributed to the people.

We have also found that the packaging should be modified so that smaller families and older people could consume the foods after the container has been opened and before the food spoils. Many of the poor families that receive these foods lack adequate refrigeration and storage facilities. In fact I will say almost 100 percent of them, they don't have refrigeration and the storage facilities to keep it. With large containers it is impossible to consume the foods before they spoil.

I would like to add right here that I come here not only as administrator of the Department of Social Service, but also as a man that grew up and that went through lots of hardship, that knows what hunger

is, having had to go sometimes a few days without food when I was a little boy. I do not come here as a part of a structure of redtape, but as a man that knows what suffering is because I lived it when I was a little boy. After that things have changed, but I still remember those early days of my life, how much I needed a program like this to satisfy the hunger that I had, especially during the school years.

## Puerto Ricans Are Citizens

A lot of people say that Puerto Rico doesn't pay taxes and for that reason shouldn't be included. I will say that we have, including myself, defended this Nation all around the world, we are American citizens, we have shed our blood, our kids are fighting in Vietnam.

And I would like to quote a very interesting paragraph that I found in the committee report on the Economic Opportunity Amendments Report No. H.R. 10–351, page 21. They have a paragraph on Puerto Rico which says:

> This amendment to the act is in recognition of the extremely low standard of living in this area, which is generally substantially lower than anywhere in the United States, and a recognition of the responsibility which this Nation has for the residents of this area. Puerto Rico, for instance, whose residents are citizens of the United States, has been a possession of this Nation since 1898, some 73 years. The citizens of that Caribbean island, however, have not enjoyed increase in affluence and economic well-being that the rest of the Nation has, and this small increase in the allotment for the offshore areas is a small token in recognition of their far greater need.

I would also like to add before I finish, Mr. Chairman, that we are included in the Food Stamp Program. As the distinguished Senator said, we also are confronted with the fact that the Department says that they don't have funds to give us for the Food Stamp Program or the supplemental food program. So taking this into consideration, and remembering some words that my Governor said not too long ago to the President of the United States, when you treat us—when some people of the Department treat us like they have, it is just like giving a sick man an aspirin when he needs an operation. And I hope that through these Senate hearings the Department of Agriculture, if it doesn't have enough funds, can somehow through legislation, get enough funds.

Mr. Chairman, distinguished members of this committee, I have presented the facts prevailing in Puerto Rico briefly and concisely. I appeal to your sense of justice that favorable consideration of these requests for a group of U.S. citizens—although they live away from the shores of this great Nation—are as much American citizens as anyone living in South Dakota, Michigan, Illinois, California, or Alabama. That the words of "one Nation under God, with liberty and justice for all" will not only be something we learned from a great man and are written in our history books, but will also have the intended meaning in these uncertain days of turmoil in our Nation and in our world.

Thank you very much, Mr. Chairman, and members of this committee for this opportunity. I will be happy to answer any questions that you may have.

Senator Percy. We thank you very much indeed. This has been a very helpful body of evidence you presented and you have given us some hard facts to work from.

FUTURE IN ECONOMIC DEVELOPMENT

I think we all recognize that the future of Puerto Rico lies in its economic development, not in the relief that can be provided to it. And I would like to say, from my own experience having recently been down there talking with your very able Governor, that a remarkable program of economic development has been going on for some time and is continuing. One of the last acts I did in private business was to put a plant in Puerto Rico. I am happy to say that my alumni interest informs me it is one of the most successful and skilled technical operations that we have opened up—and it has been a very great benefit to Bell & Howell Co.

But, in the meantime, you have a problem of poverty. To get some idea as to the extent of it, you have indicated that 42 percent of the total population of families have an income of less than $3,000.

Mr. SANTIAGO. That is correct, Mr. Chairman.

Senator PERCY. And yet you pointed out very high costs that you have, for instance, on food—substantially higher than other areas of the United States. What is the poverty level for a family of four in Puerto Rico?

Mr. SANTIAGO. Well, I think that we will need almost the same as the United States.

Senator PERCY. Less cost for housing, heat, things of that type, of course. Some costs are lower.

Mr. SANTIAGO. That's right. But since we have to buy most everything from here and we have to pay ocean freight—and this is one of our problems—since we have to use American ships to transport what we buy, it is very high cost. We cannot use other ships from other nations. This expense is very high, and this is one of our main problems actually.

Senatoi PERCY. Is the average family size in Puerto Rico higher than in the United States?

Mr. SANTIAGO. The average family right now is 4.5 on the welfare programs. The average family on the regular program is about 4.8.

Senator PERCY. Is family planning making any real progress in Puerto Rico?

Mr. SANTIAGO. Yes, sir. In fact for the last 2½ years we have a very strong family planning going. This, as you know, takes time to show the real effect. But we have for the first time in any part of the United States a family planning program on TV, radio, press, and public conferences. In fact, we have mobile units that go all over the island giving conferences to women and to men also, and for the first time to men, because I don't think that family planning is just for women.

Senator PERCY. You have the implication in your testimony that you feel that Puerto Ricans are treated as second-class citizens in this program. Can you compare the relationship that you have in Puerto Rico with other departments and agencies here in Washington? Are you, in any way, discriminated against in the administration of that program? Are you treated just as any State of the United States would be?

POOR HEW LEGISLATION FOR PUERTO RICO

Mr. SANTIAGO. Mr. Chairman, I never have felt like a second-class citizen. I am an American citizen, I carry an American passport to

every country I visit. I worked in a very sensitive program when I was in the Army, which means that they had lots of confidence in me.

I will say that every program treats us just like we should, except that there is some HEW legislation that does affect Puerto Rico. They have been more than good with us, but they have some poor legislation for Puerto Rico. I hope that this will be changed by new legislation.

But nevertheless I will say that many agencies try to help as much as they can. There are people in the agencies that treat us as second-class citizens. That doesn't mean that the agency treats us as such. But despite those——

Senator PERCY. The agency is the people that make up the agency. The only thing that is left is bricks and mortar.

Mr. SANTIAGO. Well, you take an agency like mine, we have 7,000 employees. I will say that maybe some of them dislike other nationalities, but that doesn't mean that the 7,000 dislike everybody. And I feel the same way with the agency. I think that all of them try to help as much as they can, but once in a while we find some person that tries to stop programs that will benefit Puerto Rico.

Senator PERCY. Have you ever calculated what it would cost if Puerto Rico were on food stamps and were eligible for food stamps?

Mr. SANTIAGO. We haven't really come up with numbers, but the USDA people have figured that it will cost about $129 million, if I remember right.

Senator PERCY. That is against how much cost for commodity food distribution?

Mr. SANTIAGO. That is against $42 million that we are receiving right now.

Senator PERCY. So it is about one-third the cost?

Mr. SANTIAGO. That is correct, Mr. Chairman.

Senator PERCY. Will USDA give you more food than you now distribute?

Mr. SANTIAGO. Yes, sir. We will get more food, but we don't have the facilities to distribute the food. The problem is——

Senator PERCY. Warehouses, trucks, personnel to handle it?

Mr. SANTIAGO. Transportation.

Senator PERCY. I noticed the dramatic increase in the amount of whole milk distribution. You rose from the 1970–71 period from 735,000 pounds to 4.8 million. Could you tell us what that increase was; and, how you were able to step it up, and how you, physically, could handle that kind of increase?

Mr. SANTIAGO. This is projected for next year.

Senator PERCY. That is a projection for next year?

Mr. SANTIAGO. Yes, sir. One of the assistant secretaries to the Secretary of Agriculture went to Puerto Rico and talked with the Governor and the Resident Commissioner here in the States, and with me personally, and he offered to purchase all the milk that was needed for children from zero to 1. Children that would be in families earning less than $3,000, and so that is the reason that we are projecting this. That doesn't mean that the 40,000 would be in the program. But we hope to have quite a few children in the program, and this will help tremendously.

### Demonstrated Need Brought Increase

Senator Percy. But it was the physical visit down there, and the demonstrated need that you were able to show, that brought about this increase in availability of milk?

Mr. Santiago. That is correct, Mr. Chairman.

Senator Percy. I notice that you have a schedule here of relative commercial prices for comparison purposes.

Mr. Santiago. That is correct.

Senator Percy. And for the most part they certainly are higher.

Mr. Santiago. Higher.

Senator Percy. Before I yield to Senator Ellender, one more question, and then I will come back. Could you comment on the types of foods available in the 21 commodities you have as related to the dietary needs and the experience of Puerto Ricans?

I ask this question, Senator Ellender, because I mentioned the other day that when I was in refugee receiving camps in Pakistan—in East Pakistan—I interviewed families to see why they were coming back. Why they had incurred the danger of going down the Indus to refugee camps and then coming back. A grandmother, whose son and whose husband had been shot by the Pakistan Army, said to me she had fled with her five grandchildren and daughter to India. She said "we got down there and though there was enough food, we had to stand 7 or 8 hours to get it. There was enough food, but the change in the type of rice and the diet that we had was so great for our children that they had dysentery and were getting sick, and we saw children dying around us." So she decided that if her grandchildren are going to die she would rather they die at home than down there, so they left the camp and came back. And it was an illustration of the effect of a change in food.

### Do Puerto Ricans Adapt to Community Foods?

How did the Puerto Ricans adapt to the 21 commodities available? What could be done? Would it be desirable to have more Puerto Rican-produced foods available for distribution in Puerto Rico? Would this add also to the economy of Puerto Rico?

Mr. Santiago. Certainly will help, Mr. Chairman and members of the committee. Some of the foods that are given to us are accepted very well; rice, lard, beans, the meats, some of the juices, are very acceptable by the people. However, we have problems with some of the foods and in respect to this I have to say that when we have problems we have told the Department of Agriculture and they have removed the articles from the list of things that they are sending to Puerto Rico.

The main problem that we have is not only the items that they are sending us, which, like I say, most of them are well accepted, but is the money to operate the facilities and the warehousing and the transportation.

I would like someday, if this will be possible, since we are included in the law—and nothing has been done about it—that the Food Stamp Program be implemented at least in part. They say that it will cost $200 million. This is what they have figured. I have figured personally in the Department that it would cost them about $129 million.

And I would like to say that, in answering your question for the second time, even though we are not treated as second-class citizens—and believe me, I would never go anywhere and say I am treated as a second-class citizen—I feel as anybody that was born in Michigan or your State, the great State of Illinois, I feel at home anywhere in this Nation where I go, and I feel part of it. But even though we are not treated as second-class citizens we are not receiving an equal share of the treatment. In some programs, such as vocational rehabilitation, we are receiving equal treatment. And for drug abuse we receive everything that we can; in the Hill-Burton law for hospital construction we receive all the money that they can give us, just like any other State. But in some programs, especially this program where we are in the law, we are not treated as a State.

Somebody decided that this is what we are going to do for the Indians, and this is what we are going to do for the Puerto Ricans and this is what we are going to do for the Virgin Islands and for Guam, and this has been our main problem.

So I hope that in treatment of the operating expense funds, at least, that we can be treated as a State. Like you say, I don't want the program to be any larger than it has to be; but, I hate to see people hungry because once, as I say, I went through that also.

In fact, Mr. Chairman, I have some pictures that I would like to leave with you to see when you have time, and the members of the committee that graphically depict our problem.*

Senator PERCY. Thank you.

Senator Ellender.

Senator ELLENDER. Mr. Chairman, it has been my privilege to visit Puerto Rico on quite a few occasions. I was there during the war when things were pretty bad and food was scarce because of the submarine menace. But I am disappointed that the government of Puerto Rico doesn't provide facilities to preserve the food that is made available by our Government. People of Puerto Rico pay no taxes to the United States. All taxes collected remain on the island. And, as you said, you receive from the Federal Government as much as any State to assist with housing, agriculture, and things of that kind. Your tax rate is evidently very low. If you do obtain any form of taxation I am just wondering what is done with it.

Mr. SANTIAGO. As you know, Mr. Senator, we have lots of problems. This is nothing that has started just now. We have, as the chairman of the committee has repeated many times, grown continuously, we are trying to do the best we can.

### INDUSTRIAL EXPANSION MUST HAVE HELPED

Senator ELLENDER. That ought to bring prosperity. There has been a lot of business established there lately, as I understand. I cannot recall, at the moment, the number of manufacturing establishments in Puerto Rico, but it is quite a large investment over the last 10 years. Why that shouldn't bring prosperity to your area, I don't know. You have only 2.8 million people there.

Mr. SANTIAGO. May I say something, Mr. Senator? If we had the

*See app. 1, p. 2413.

economic level of the United States, we would be more than happy to pay taxes. In fact, this has been—and I am pretty sure you know about it since you have been there—one of our main arguments; that we should pay as we go along. Also, it is very true that we don't pay fair taxes; but, it is also true that we have to purchase from the United States everything that we have there. Also it is true that in transportation alone, Puerto Rico could save hundreds of millions of dollars if we will use transportation other than that of this Nation.

Senator ELLENDER. You have people there rich enough to build, don't you think?

Mr. SANTIAGO. The law, as you know, treats us as a State in that, because for some things we are treated as a State, for others we are not.

Senator PERCY. You are required to ship American bottoms?

Mr. SANTIAGO. That's right.

Senator PERCY. Which is a premium cost over world shipping cost.

Mr. SANTIAGO. That's right.

Senator PERCY. Of what, 45 percent?

Mr. SANTIAGO. Studies indicate that shipping in U.S. bottoms increases the cost of our trade by as much as 60 percent above what it would cost if we used foreign bottoms.

Senator ELLENDER. But, I really and truly thought that when all of these manufacturing plants moved into Puerto Rico, and all the tourist business that you have, conditions would improve. I fear that only a few get the benefits from that and it is not properly divided.

Mr. SANTIAGO. I would say quite a few—I think if you make a study of it, it is quite well divided.

In 1938 a commission was sent from Washington—in fact, a commission from the Senate and the House and from the President of the United States, to check on conditions in Puerto Rico, and at that time they came back and they told the President that there is no use, there is nothing that can be done on that island. We have increased from $100 per capita income to $1,427 through the years, and we are still going up, and we hope that we will be able to get to where we want to be.

However, problems are problems. We are trying, and we consider our effort in this program is greater than that of any other State in the Nation.

### 30 PERCENT OF POPULATION ON FOOD PROGRAMS

Senator ELLENDER. Of the entire population, I notice here 2.8 million, you have 872,000 projected for 1972 that will be receiving some kind of welfare. That is quite a large proportion, almost 30 percent.

Mr. SANTIAGO. Projected to get food programs, not on welfare.

Senator ELLENDER. That's what I am talking about, food programs. That's what we are talking about now. And I presume a lot are getting welfare, too.

Mr. SANTIAGO. Yes, we have a great number. In fact all that are on welfare also receive the food programs.

Senator ELLENDER. You know, in most of our programs here the local people, the State or the county, or the parishes in my State, furnish the moneys to buy the facilities to store food. Now why can't you do that in Puerto Rico?

Mr. SANTIAGO. We are probably spending a higher percentage of our scarce budgetary resources on this program than most of the States.

Senator ELLENDER. Evidently you don't have enough of it. You say there's a lot of food that spoils because of the lack of refrigeration.

Mr. SANTIAGO. The problem has been—I don't know if you really understand what the problem is. But the problem has been that even though the law says we are supposed to get so much, we are not getting that part that we are supposed to get from the legislation that you people approved, and I am pretty sure that you were one of the Senators that voted for the law. And this has been because the Department of Agriculture says we are going to put aside a part for Puerto Rico and the other islands.

Senator ELLENDER. All we approve is the money. The administration is the responsibility of the Executive. But I hope this will improve some, and I will do what I can. I am sorry, I have to go to the Senate right now.

Senator PERCY. Thank you, Senator, very much indeed.

On one or two occasions when I was in Puerto Rico the docks were tied up. Does this happen very frequently, and if so, how do you bring food in? What alternate means of transportation do you have and what does it cost? Does this add considerably to the cost of importing food?

Mr. SANTIAGO. Mr. Chairman, that has been another problem, that I am glad that you asked me the question, because definitely we have lots of problems with strikes, and when we don't have the type of transportation that we usually use—that is ocean freight—then we have to use planes to bring the food in, and this also raises the price three or four times higher than what it would cost. So all these combined are a real problem in the operation of our program.

And my only request is that if the law says that we should be treated like a State that we should get the part that belongs to us. This has been my only position this morning.

Senator PERCY. What effect does tourism in Puerto Rico have on food cost? At the height of the tourist season are all costs jacked up? You get more income if people are serving and working in the tourist industry, but does that also increase average living costs at the time?

### TOURIST SEASON DOESN'T AFFECT LOCAL COSTS

Mr. SANTIAGO. No, sir, Mr. Chairman. The tourism helps us, and it doesn't really do that. To the tourists, of course, it does, because during the winter months the prices in the hotels are higher than during the summer time. But it doesn't affect at all the local people.

Senator PERCY. Senator Ellender has made the point that Puerto Rico ought to do more for itself. I wonder if you could furnish to this committee some analysis of the degree of effort Puerto Rico makes to take care of its own needs as measured against any standard you might select in any other State. I think this is an important point and it should be answered, and I am certain that you could provide the committee the facts on that.

Mr. SANTIAGO. Senator, we will be glad to furnish this information.* We have tried very hard during the last 20 years to do the best

*See app. 1, p. 2421.

that we can to upgrade the salaries, upgrade the nutrition needs of the people. We have legislation that is as good as any State has. We pay taxes, and the only reason, like you say, that we keep it is because an arrangement has been made with the Federal Government and the Congress. When Puerto Rico reaches a certain level then we will have to pay Federal taxes just like anybody else, and we hope that this will be very soon. In fact we are working right now on this with both the President and Vice President, and I hope that will go through both in the States and in Puerto Rico. And I hope, and I can dream of the day when I see Puerto Rico as the 51st State of the Nation.

Senator PERCY. Well, that is a hope expressed in the platform of your very able Governor, and certainly I would pledge to you my individual support for that aspiration.

I want to thank you very much indeed for being with us, and please give my best wishes to your Governor. We appreciate very much your colleagues being with us this morning.

Mr. SANTIAGO. Thank you, sir. We want to thank you and the committee for listening to us, and I just hope that something can be done. Thank you.

Senator PERCY. The Chair calls Mr. Proctor Carter from the great State of Missouri.

Mr. Carter, go right ahead. We have your testimony, if you want to read it in its entirety. If you want to summarize it, you can.

Mr. CARTER. I think I will read it. It is very short.

## STATEMENT OF PROCTOR N. CARTER, DIRECTOR, STATE DIVISION OF WELFARE, MISSOURI

Mr. CARTER. My name is Proctor N. Carter. I am the Director of the State Division of Welfare, Missouri Department of Public Health and Welfare, Jefferson City, Mo.

For the benefit of the committee in its inquiry, I submit a statement describing this program since its inception. I am not here to offer criticism, but rather to describe the sequence of events which has lead to a serious financial problem in Missouri, both for the State and the counties in conducting the distribution program. I might add that we have had fine cooperation in establishing both the distribution program and the Food Stamp Program from regional representatives of the Department of Agriculture.

The Food Distribution Program has been of great help to poor persons in our State, and the fact that its existence is threatened now by inadequate Federal funding is to be deplored.

Prior to 1968, the payment for local administrative costs was financed entirely by the State and those counties participating. The program was based on a law passed by the State legislature in 1961 which provided that any county desiring to distribute food would be reimbursed by the State for 50 percent of the cost of distribution. Acceptance of the program was entirely up to the counties and the number of counties participating varied from 34 to 39 during the period 1961 through 1967. Both St. Louis and Kansas City participated, although St. Louis went under the stamp program on a project basis in 1963. Kansas City still participates in the direct distribu-

tion program. Ten counties and St. Louis city are now under the stamp plan. Twenty-two other counties have indicated that they desire to enter the Food Stamp Program, which is now blocked, evidently. The request of these counties is before the Secretary of the Department of Agriculture.

In the fall of 1967, we were advised that the USDA would pay 100 percent of the distribution costs in 331 counties in the Nation, including 27 counties in Missouri. The formula for selection of the counties was devised by the USDA, without consultation with the States. At least, there was no consultation in Missouri.

We got together on how to put the program in these 27 so-called low-income counties, and we determined that the Division of Welfare would supervise the administration of the program and that the employees would be selected under the Missouri merit system. And, at that point, I asked if this situation involving 100-percent financing by the USDA was going to be a temporary proposition or was going to be continued, and was told that it would be on a continuing basis.

I have listed the counties at that time that were selected, and I have listed the counties that were at the same time carrying on this 50-to-50 program, so-called, whereby the county paid 50 percent of the administration cost and 50 percent paid by the State.

### In 1967—53 Counties Without Program

At that point in 1967 we had 53 counties without either food program, distribution program or commodity program.

When the President announced, in 1969, that there would be a food program in every county in every State in the Nation, USDA then told us that we could develop a program in these 53 counties that were without a program and that these counties would be financed from the standpoint of local distribution cost entirely from USDA funds.

At the time Governor Hearnes announced this extension of the food program he made this statement, and it is prophetic as far as we are now concerned:

> The federal grant will enable us to continue our efforts to eliminate hunger in Missouri. It would appear to me that the U.S. Department of Agriculture should eventually take over the payment of administrative expenses in those counties where the program is now financed on a 50–50 state-local basis.

Incidentally, this just didn't apply to Missouri. There were 20 States in the Nation that were in a similar situation—with part of the counties financed entirely by USDA and part either locally or State and local.

The Governor continued:

> If the Department of Agriculture will pay the full cost in 69 counties in Missouri, I think it only fair that sufficient funds be granted the Division of Welfare to cover full administrative costs in the remaining counties in Missouri where the food program is in effect without any federal financial participation.

So by May 1970 we had all the counties either on Food Stamp or the Food Distribution Program, with 69 of them completely financed by the USDA.

One of the stipulations set up by the USDA in the expenditure of Federal funds was that such funds could not replace State or local

funds previously expended. This meant that the counties that were on a 50-to-50 State-local funding basis could not participate at all in any of the Federal payment.

Now here comes our problem, and this has actually placed the future of the Food Distribution Program in Missouri in jeopardy. During fiscal 1971 we spent $1,603,000 plus in Federal funds in these 69 counties. This year we received $354,000 less. And at the same time the Federal Department under urging by some of the U.S. Senators, and others, I am sure, got away from this idea that you couldn't replace local funds, and said, "Here is your grant, you can spend it as you see fit."

I have filed with the committee a letter* addressed to then Secretary of Agriculture Clifford M. Hardin which sets forth the situation about the policy as we considered inequitable between paying full cost and no cost in other counties. And that letter was signed by Senators Symington, Eagleton, McGovern, Proxmire, Hart, and Cannon. And they in the statement mentioned that there were 20 other States in about the same situation. The Senators wound up their letter by saying:

> If it should be found that such an assistance formula would not be consistent with the goal of establishing a food assistance program in every county, then we would urge the Department to use the authority available to it under section 32 of Public Law 74-320 to assume the full operating cost of the commodity distribution program in every county.

Now, when the U.S. Department of Agriculture changed its policy and gave us a grant—which was less by $354,000 than the previous fiscal year—we devised a formula of distribution of this money to make it equitable for all counties. We did this by coming up with a figure of 20 percent that it would require to make up the difference in the Federal appropriation. We applied it to every county, which meant the counties paying 50 percent would pay 20 percent and counties paying nothing would pay 20 percent if they wanted to participate.

### Funds Are Depleted

All but about 15 of the 104 Missouri counties distributing food will carry the distribution program through the months of November and December. There will be no distribution in those 15 counties. But, beginning in January, it is very questionable how many counties in Missouri will participate. To get through November and December some of the courts are accepting donations. And, incidentally, the county court in Missouri is an administrative body rather than a judicial body.

Just last week, Thursday and Friday, 250 county judges of the Missouri County Judges Association met in annual session in Jefferson City, and they announced that the counties will not be financially able to pay 20 percent of the cost of financing the local distribution of federally donated foods after January 1, 1972. And the association in a resolution expressed the belief that the Federal Government should pay the distribution cost.

Of course, Senator, there was an awful uproar and howl from these counties that were paying 50 percent of the cost in our State; when they would look next door at a county in better financial condition getting a free ride.

*See app. 1, p. 2421.

So that led to all this disturbance and trouble and effort to change the policy. Then we run into the business of reducing the grant; and it appears to us that it is the old tactic of the federally presented program which is enticing—difficult for the States to resist—and then the Government lowers the boom on the States by either backing up partially or wholly. The States then have the choice of walking out of a good program or trying to find money to finance it.

I have a few recommendations I would like to leave with the committee for consideration:

1. That the Food Distribution Program, the School Lunch Program, and the Food Stamp Program be transferred from the U.S. Department of Agriculture to the Department of Health, Education, and Welfare.

2. That the Food Distribution Program be financed 100 percent with Federal funds and that special attention be given to such vulnerable groups as infants, preschool children, pregnant and nursing mothers, and the aged.

3. That there be developed, through improved Federal-State and local cooperation, more effective State and local delivery systems and organizations for food programs.

4. That there be adequate funding by the Federal Government to provide free, or reduced price lunches and breakfasts to schools, summer recreational programs and day-care centers.

5. Removal of existing administrative provisions prohibiting counties and cities from participating in both the Food Stamp Program and Federal Food Distribution Program.

As I said, I don't think it necessary to read the letter from the Senators. It is attached and available for perusal by the committee.

That concludes my testimony, Senator.

PREPARED STATEMENT OF PROCTOR N. CARTER

My name is Proctor N. Carter. I am the director of the State division of welfare, Missouri Department of Public Health and Welfare, Jefferson City, Missouri. I have been asked by Senator George McGovern, chairman of the Senate Agriculture and Forestry Committee to testify at this hearing on the food distribution program of the United States Department of Agriculture as it relates to Missouri.

For the benefit of the committee in its inqury, I submit a statement describing this program since its inception. I am not here to offer criticism, but rather to describe the sequence of events which has lead to a serious financial problem in Missouri, both for the State and the counties in conducting the distribution program. I might add that we have had fine cooperation in establishing both the distribution program and the food stamp program from regional representatives of the Department of Agriculture.

The food distribution program has been of great help to poor persons in our State, and the fact that its existence is threatened now by inadequate Federal funding is to be deplored.

Prior to 1968, the payment for local administrative costs was financed entirely by the state and those counties participating. The program was based on a law passed by the state legislature in 1961 which provided that any county desiring to distribute food would be reimbursed by the state for 50 per cent of the cost of distribution. Acceptance of the program was entirely up to the counties and the number of counties participating varied from 34 to 39 during the period 1961 through 1967. Both St. Louis City and Kansas City participated, although St. Louis went under the stamp program on a project basis in 1963. Kansas City still participates in the direct distribution program. Ten counties and St. Louis

City are now under the stamp plan. Twenty-two other counties have indicated that they desire to enter the Food Stamp Program. The request of these counties is before the Secretary of the Department of Agriculture.

In the fall of 1967, we were advised that the USDA would pay 100 per cent of the distribution costs in 331 counties in the Nation, including 27 counties in Missouri. The formula for selection of the counties was devised by the USDA, without consultation with the states. At least, there was no consultation in Missouri.

In October 1967, Representatives from the USDA midwest regional office in Chicago met in my office in Jefferson City to discuss the 100 per cent federal funding of the 27 Missouri counties designated. They suggested state and local contributions in cash or kind be obtained where possible. They also proposed that grants be made direct to the 27 counties selected by the department. I recommended, and the department agreed, that administrative funds for the 27 counties be handled by the division of welfare; that all payments for services be made by the state; and that employes in those counties be chosen from competitive examinations administered under the Missouri state merit system.

Following this meeting, I raised the question with the USDA as to whether the 100 per cent federal financing was temporary or emergency, and was advised that it was the intention of the department to provide financial assistance to the 27 Missouri low-income counties on a continuing basis.

We proceeded, with the help of the USDA, to initiate the program in the 27 counties designated by the department. I advised the governor that we were assured that federal financing would be on a continuing basis in the 27 counties and that we did not plan to seek additional funds from the legislature. The 27 low-income counties in Missouri selected by the USDA to receive full federal finacing were as follows:

1. Benton
2. Bollinger
3. Christian
4. Caldwell
5. Dade
6. Dallas
7. Dent
8. Douglas
9. Hickory
10. Howell
11. McDonald
12. Maries
13. Oregon
14. Osage
15. Ozark
16. Polk
17. Putnam
18. Ripley
19. St. Clair
20. Schuyler
21. Shannon
22. Stone
23. Sullivan
24. Texas
25. Webster
26. Worth
27. Wright

In 1967, 34 Missouri counties were carrying on a direct distribution program, with the State and counties paying the local cost of distribution on a 50-50 basis. They were as follows:

1. Buchanan
2. Butler
3. Cape Girardeau
4. Carter
5. Clay
6. Daviess
7. DeKalb
8. Dunklin
9. Gentry
10. Greene
11. Harrison
12. Iron
13. Jackson
14. Jefferson
15. Linn
16. Livingston
17. Madison
18. Mercer
19. Mississippi
20. New Madrid
21. Nodaway
22. Pemiscot
23. Perry
24. Putnam
25. Reynolds
26. Ripley
27. St. Charles
28. St. Francois
29. St. Louis
30. Scott
31. Shelby
32. Stoddard
33. Washington
34. Wayne

In 1967, 53 Missouri counties were without a food program.

In the latter part of 1969, President Nixon announced there would be a food program in all counties in the United States that did not have a food program or issue stamps. The USDA indicated that the 27 Missouri counties previously financed 100 per cent and those at the first of January 1970 that did not have a food program, would be financed 100 per cent with Federal funds. All the new programs were to be established by July 1970. USDA stated that whatever funds were justified as necessary would be forthcoming for 100 per cent Federal financing.

At the time the Federal department announced that the non-participating counties would be brought into the food program with 100 per cent Federal financing, Governor Warren E. Hearnes, in a press release in January 1970, made the following statement, and I quote:

"The Federal grant will enable us to continue our efforts to eliminate hunger in Missouri. It would appear to me that the U.S. Department of Agriculture should eventually take over the payment of administrative expenses in those counties where the program is now financed on a 50–50 State-local basis. If the Department of Agriculture will pay the full cost in 69 counties in Missouri, I think it only fair that sufficient funds be granted the division of welfare to cover full administrative costs in the remaining counties in Missouri where the food program is in effect without any Federal financial participation."

By the end of May 1970, 69 counties in Missouri were federally financed 100 per cent and 39 counties were financed by the State 50 per cent and county 50 per cent. Six counties and St. Louis City then had a stamp program. Four additional counties have since been shifted to stamps.

One of the stipulations set up by the USDA in the expenditure of Federal funds was that such funds could not replace State or local funds previously expended. This meant that the counties that were on a 50–50 State-local funding basis could not participate at all in any of the Federal payment.

Now, here comes the rub, and the situation which has placed the future of the food distribution program in Missouri in jeopardy. During the fiscal year 1971, there was a total of $1,603,127.92 in federal funds spent in the 69 counties which were financed 100 percent federally. This included a special grant for assistance to 14 counties that were paying 50 per cent of the cost and had run out of money for the months of April, May and June 1971.

For the fiscal year 1972, the USDA has granted the state of Missouri $1,248,220 for funding the direct distribution program, a reduction of $354,907.92. It eliminated the requirement that federal funds could not replace state or local funds. The department said that the division of welfare could spend the 1972 grant any way it chose, as long as it was for direct distribution.

For months we have been protesting the inequity of limiting federal money to certain counties with other counties continuing to finance local distribution with state and local funds. The protests about this inequitable federal policy for distribution of federal money was reflected in a letter signed by United States senators Symington, Eagleton, McGovern, Proxmire, Hart and Cannon and addressed to the Secretary of Agriculture on June 5, 1970.

Finally, and only recently, the USDA changed its policy and decided we could use the federal money any way we cared to, and at the same time reduced the federal allotment by $354,907.92. We figured all the state money and federal money we had available and came up with a distribution formula that required a 20 per cent contribution toward local distribution for any county desiring to participate in the program. This made up the reduction in the federal grant.

It now appears that all but about 15 counties will carry the distribution program through the months of November and December. Even to get through the months of November and December 1971, private donations are being accepted by the courts in some counties.

Approximately 250 county judges of the Missouri judges association met in annual session in Jefferson City last Thursday and Friday, September 16 and 17. They announced that the counties will not be financially able to pay 20 per cent of the cost of financing the local distribution of federally donated foods after January 1, 1972. The association expressed the belief that the federal government should finance entirely the food distribution program for the simple reason that it is a federally instituted program.

Under the original Missouri program, the county determined its own destiny as far as distribution of federally donated foods was concerned. No county was denied entrance into the program; the only requirement being that the county share with the state on a 50/50 basis the cost. When the USDA took over, about two-thirds of the counties and financed the cost entirely, those counties having to put up local funds were vehement in their indignation. And rightly so, in my opinion. Now that funds allocated to Missouri by the USDA are reduced, we find that many of the counties are still indignant because, as they put it, they did not have any choice about entering the program and are now called upon to pay part of the costs. The alternative is to drop the program.

It seems to me that it is the old tactic of a Federally presented Program, which is enticing and difficult for the States to resist, and hen the Government lowers the boom by backing out partially, or wholly, and leaving the States the choice of abandoning a good program or try to find money to finance it. Here we have the classic example.

I would recommend the following for consideration by the Committee:

1. That the food distribution program, the school lunch program and the food stamp program be transferred from the U.S. Department of Agriculture to the Department of Health, Education, and Welfare.

2. That the food distribution program be financed 100 per cent with Federal funds and that special attention be given to such vulnerable groups as infants, pre-school children and pregnant and nursing mothers.

3. That there be developed, through improved Federal-State and local cooperation, more effective State and local delivery systems and organizations for food programs.

4. Adequate funding by the Federal government to provide free, or reduced price lunches and breakfasts to schools, summer recreational programs and day care centers.

5. Removal of existing provisions prohibiting counties and cities from participating in both the food stamp program and Federal food distribution program.

Thank you for giving me an opportunity to appear before your committee.

Senator PERCY. We appreciate very much the specific recommendations you have made, and they certainly correlate with other recommendations we have received.

If USDA were to finance the whole cost of the commodity program for Missouri how much would be the cost?

Mr. CARTER. It is $1.2 million now; probably not over $1 million more.

### IS FEDERAL TAKEOVER ONLY ALTERNATIVE

Senator PERCY. Do you feel that the 100-percent Federal takeover of administrative funding is the only alternative, however, that you face in the current situation?

Mr. CARTER. Well, we have moved toward county financing, and, of course, the counties are not in good shape in our State. Many of them are really unable to do anything about this regardless of the need and of their desire. The Missouri Legislature appropriated enough money at the last session to finance the State's 50-percent obligation for those counties that were participating. At that time they did not know that there would be a reduction in Federal money for the counties that had been designated by the Federal Government, and a bill to provide that the State pay all the costs for the counties' 50 percent, for those counties that were in the program failed. It didn't get very far.

So, it is my opinion that, unless additional Federal money is forthcoming or the legislature can be prevailed upon to raise the money, food programs will be cutback or curtailed. And, I can tell you that the Missouri Legislature is in about the same shape financially as many other States. We are cutting two welfare grants in October.

Senator PERCY. If you had a Federal revenue sharing program would this program receive high priority if you did have funds available?

Mr. CARTER. It would be my recommendation that it receive priority. Whether it would or not I don't know, I can't answer.

Senator PERCY. Did any of the 50–50 counties ever drop out before January 1, 1971 because of the inequity in the program at that time?

Mr. CARTER. Yes, sir; around 10. And I expect they will all be back in now because of the fact——

Senator PERCY. How were they brought back in?

Mr. CARTER. Well, I think they will come back in, Senator—because we equalized what money we had and now their payment instead of 50 percent is 20. They didn't drop out, most of them, because of inadequate money to pay this amount, when they chose to come into the program—they dropped out because they were indignant at the way the thing operated.

Senator PERCY. When you were told that this program would be a permanent program and advised that it would be on a continuing basis what did you really think that meant? What assurance did you have and what authority did those that advise you have for making such a statement?

### DUBIOUS STATEMENTS, BUT . . .

Mr. CARTER. Well, Senator, I am dubious of statements like that. I didn't put too much confidence in it. But at the same time here was the grant, here was the money, here was the money to put food in the mouths of people, and it is impossible to turn it down. But I have had too much experience with these things that start and then pull back.

Senator PERCY. What has been USDA's attitude in bringing the nine delinquent Missouri counties back into the fold?

Mr. CARTER. The ones that dropped out?

Senator PERCY. Yes.

Mr. CARTER. Well, the change in policy—and, of course, I think the change in policy was influenced to a very large extent by the efforts and action of interested legislators, particularly Senators.

Senator PERCY. How many counties are there as of the middle of September that were not participating in the program?

Mr. CARTER Around 10; nine or 10.

Senator PERCY. USDA indicates that there are about 13,500 people in these counties who are not now receiving commodities. How do you suppose these people are getting by? What are they eating?

Mr. CARTER. They are not eating as well as they were when they were receiving commodities. That's for sure.

Senator PERCY. Have you made a local attempt to get them back into the program?

Mr. CARTER. Yes, sir. In Missouri through the efforts of a nonpolitical or an organization not allied with the State government they formed groups called Volunteers Against Hunger, and they were very effective and they go out and function in these counties doing things like getting food to people that are shut in, people that are old and crippled and unable to come to the commodities depot, carry them there and back to see that they receive them; and a strong effort was made on the part of these committees.

Senator PERCY. We had evidence, Mr. Carter, that in the State of Oklahoma—we have hard evidence—that county commissioners were using the Food Distribution Program for political purposes. They much preferred to dole out food because it was their own personal largesse. It was their decision, as they pointed out, and it was as if they personally were making this contribution of food to the recipients who should be grateful voters on election day.

Have you any evidence at all that there has been political usage of this program in counties in Missouri?

No Politics Played

Mr. Carter. No, sir. In the 69 counties that we set up with Federal money we employed the people, and in the other counties we have closely supervised the program, and we have had no record or charge or intimation of anything on that order.

I will give you an example of the only thing I ever heard mentioned. One of the State representatives called me the other day and said:

We are going to have a bond issue down here which will include some money for commodities. Would it be all right to enclose with every commodity recipient a statement "vote for this issue"?

And I said:

I think you will get in a hell of a lot of trouble if you do, and I will advise against it.

He said:

OK, I won't do it.

I said:

Publicize in the paper as to the advantage, but don't talk to them and hand them a card when they come for commodities or a poster and do any politicking.

And we just haven't had it there.

Senator Percy. One last question, Are there any lien laws in Missouri?

Mr. Carter. Lien law?

Senator Percy. As it affects welfare recipients.

Mr. Carter. No, sir; there have not been.

Senator Percy. Mr. Carter, we thank you very much indeed for being with us. We appreciate it a great deal.

Mr. Carter. Thank you, Senator.

Senator Percy. Mr. David McCullough, director of direct distribution, County of San Diego, Calif.—a county that a lot of Republicans are going to be in during August of 1972, I guess.

Mr. McCullough. We are expecting a few, Senator. We are getting ready now.

Senator Percy. We are very happy to have you with us, and you proceed with your testimony.

## STATEMENT OF DAVID McCULLOUGH, DIRECTOR, FOOD DISTRIBUTION PROGRAM, SAN DIEGO COUNTY, CALIF.

Mr. McCullough. As your committee considers the total effectiveness of the direct distribution program, and the delivery system utilized by San Diego County, I think it is important to note those areas in which the volunteer system has been responsive in answering some of the recurring criticisms of the Food Distribution Program.

I think it is equally important to recognize that there are innate deficiencies in the Food Distribution Program, and that the delivery system utilized in San Diego County has only touched the surface of the problems encountered in the delivery of donated foods to needy persons.

Traditionally the commodity distribution program has operated under a soup-line delivery system. To date, the variety of delivery systems notwithstanding, people still line up to undergo the dehumaniz-

ing experience of receiving their bowl of soup, only in this case it's not a bowl of soup, in San Diego County it was over 37 million pounds of food and in the State of California an additional 175 million pounds. To efficiently and effectively distribute volumes of this magnitude is cumbersome in theory and is costly in reality, both in terms of responsiveness to the beneficiary and in operating expenses. San Diego County recognized the inherent administrative and delivery problems early in its consideration of this program. It recognized that it alone could not at a reasonable cost, assure convenience to all beneficiaries, transportation to the aged and disabled, an outreach program for the potentially eligible, a full range of food to eligible participants, and effective nutritional education. It recognized that in order to include these and other necessary components of the commodity distribution program it would be necessary to achieve participatory involvement from interested groups and agencies. It was on this basis that the county entered into a partnership with churches and private agencies for the distribution of U.S. Department of Agriculture-donated foods. The alternative to this cooperative effort was exclusive operation of the program by county government. If the county had undertaken this program alone, it would not have had the benefit of the resources and cooperation of the other organizations. Thus, the delivery capability would not have been as effective.

Now, what are some of the areas where voluntary participation has contributed to program effectiveness?

### Contributions Made by Agencies

Probably one of the most significant contributions made by participating agencies has been the 17 buildings made available to the county for distribution centers. This contribution has been vital in that it has provided broad geographic coverage of the county's 4,200 square miles. The convenience of proximity of beneficiaries to distribution outlets has obvious benefit in terms of their ability to acquire food. There is, however, an additional and more subtle benefit that is equally important; and this is the psychological convenience to potential beneficiaries. It has been my observation that those who may have been fearful or reluctant to seek assistance through Government agencies seem freer to contact churches or other organizations that are familiar within their environment.

In addition to the obvious economic benefits to the county—the value of the contributed facilities used as distribution centers translates into approximately $15,000 per year in actual space and facilities, and an additional $300,000 to $350,000 per year in volunteer man-hours—the country has also benefited from a broadened base of participatory commitment. It's an interesting and unique experience to have those who would tell Government what should be done, to be involved, not independently, but with a Government agency, in the doing. One specific area where the private agency involvement has had a very positive effect is in the communication and interpretation of the program, not only to participants, but to the community at large.

I would like to briefly enumerate and discuss some of the additional areas where the private agencies and volunteers have been particularly effective.

HOURS AND DAYS OF DISTRIBUTION

It has been submitted as criticism of the commodity distribution program that with few exceptions, distribution centers are open only during normal business hours and that this is a barrier to participation, especially to the working poor.

Because of the flexibility of volunteers, we have found that weekend and evening hours of distribution can be easily implemented. At this time, eight of the 17 centers in San Diego County have distribution schedules which include Saturdays or evening hours of distribution.

LANGUAGE BARRIERS

An additional recurring criticism has been the language barriers which have made participation difficult for the non-English-speaking population. It has been suggested that many persons do not apply or participate due to problems in communication with either certification or distribution officials.

As mentioned earlier in my comments, the participation of agencies and persons indigenous to the areas being served has responded to the communication problem. In San Diego County, Indians are serving reservations and Mexican groups are working in the Barrio.

An additional factor in this whole area of communication which is quite important is that volunteers have shown to be effective advocates for the participants. If certification or delivery procedures are not responsive to a particular household, volunteers use the access they have to myself and my staff to clarify the issue, and to communicate with the applicant or participant.

TRANSPORTATION PROBLEMS

The particular program criticism that I have been most interested in is the transportation difficulties of beneficiaries which are all too often barriers to participation. I think the reason that I am so interested is that the concerted efforts of all the agencies and groups working within this program have not solved this problem. It is disheartening to note that even with 17 centers and the attempts of various agencies to participate in transportation, there continues to be needy persons who either do not participate, or whose participation is interrupted because of transportation problems.

There are certainly other activities where the utilization of volunteers has made significant contribution to the overall effectiveness of the program. However, as I indicated early in my comments, it has only touched the surface problems, and I would like to comment to your committee on some deficiencies that I see as innate in the commodity distribution program and which, in my judgment, are amendable to solution only by a radical change in program delivery. The transportation problems I have just mentioned are not confined to vehicular unavailiability, but quite often due to the volumes of food which must be transported. For example, public transportation may be convenient to a mother; however, transporting a month's supply of food which may amount to hundreds of pounds may preclude the use of public transportation. This is the type of difficulty I refer to when I use the term innate deficiency in the commodity distribution program.

To digress for just one moment; it occurs to me that over the past few years there has been great activity and investigation in order to bring persuasion and cognizance of the fact that hunger exists in this Nation. It seems to me that there is no longer a pressing requirement for persuasion to recognize and admit the problem of hunger, but rather, a pressing requirement to find the system that can administratively and operationally respond to the need.

I have alluded in my preceding comments to the volume and magnitude of the commodity distribution program and to the cumbersomeness of direct distribution. Let's look for a moment at the incredibly long chain of events that ultimately provides food to needy households.

### Anachronistic Systems

Basically the initial link in this chain is the procurement of foods for family distribution under authority of Sections 32 and 416 of the Agricultural Adjustment Act. Included in this initial step is the preponderant innate deficiency of the direct distribution program. I refer, of course, to the manifest purpose of the legislation which is directed at aiding the agricultural economy through price support and surplus removal programs, and the delegation of family and child feeding programs to a latent function of this purpose. I would submit that it is inherently difficult to achieve any goal, and in this case, the goal of insuring an adequate diet to the Nation's poor, when there is a priority of purpose which even peripherally deters from the ability to modify anachronistic systems.

Following this step is the processing and transporting of food throughout the Nation. I could not estimate the sums and logistical coordination necessary for procurement, processing, and transportation on a national basis, but my guess is that the amount and manhours necessary is staggering; and the costs do not end there. In fiscal 1970–71 San Diego County expended $228,650 in warehousing and trucking costs in order to maintain adequate inventory levels in addition to the other administrative and operating costs necessary to the program. I point this out to your committee to emphasize that even with the economies realized through volunteer contributions of facilities and time, the total cost of San Diego's program, inclusive of the revenues received through the U.S. Department of Agriculture operating expense fund, is close to a $0.5 million. And what does all this effort and cost ultimately lead to? An opportunity for thousands of persons to stand in outdated distribution center lines and acquire foods that are intended to insure an adequate supplement to their diet.

I bring these points up to emphasize that the efforts being expended in terms of cost and commitment to the program are not inadequate but shackled by cumbersome delivery systems and diluted legislative authority. As I commented earlier, in my associations with U.S. Department of Agriculture and State officials. I find no lack of commitment or requirement for persuasion. What I do find is an overwhelming requirement for a program delivery system that affords consideration to the beneficiary and equally to the State and local administrators.

For example: Some of you may be familiar with the tailgate distribution system utilized in the State of Arizona. In a recent discussion I had with the program administrator from that State, he commented on the proposed national eligibility standards; there was no issue in reference to the liberalization of eligibility requirements and, in fact, support of many of the new eligibility provisions found in the amendment. However, there was real and valid concern over how the State could respond to a potentially doubled recipient population off the rear end of a truck.

I use this illustration to point out that many of the criticisms directed at this program are valid today only because, for some unknown reason, we are locked into the traditional methods of dispensing surplus foods.

### Need Radical Conceptual Changes

I would respectfully recommend to your committee that serious consideration be given to radical conceptual changes in the direct distribution delivery system.

I suggest that neither of the USDA food programs currently in use respond to considerations necessary to the beneficiary nor to those responsible for their administration.

I suggest that without major changes, or the need for these programs negated by a totally adequate family assistance program there will continue to be criticism and deficiency.

Consider, if you will, that the commodity distribution program parallels the most efficient food delivery system in the world. I refer to the retail food stores of this country.

Without going into great detail, I can visualize a program whereby comparable foods in the same volumes could be distributed to the needy through the retail system. From a fiscal perspective, cost savings in procurement, transportation, and storage would amount to millions of dollars. From an agricultural utilization point of view, the cost savings could be diverted into expanded institutional and school lunch and breakfast programs. From a local administrative point of view, we would get out of the warehousing and grocery business and simply provide certification and authorization to acquire certain foods through participating retailers. For the beneficiary, there would be no need for an imposed buy-in provision. There would be convenience and proximity and greater flexibility and dignity in acquisition. In essence, what I am suggesting is that we take those components of the Food Distribution and Food Stamp Program that have shown to be workable and meaningful in terms of program goals and by this develop a delivery vehicle that fulfills the purpose of this program in a rational and contemporary way.

In spite of the program deficiencies I have been discussing it is important to recognize that San Diego County and the participating agencies and volunteers are proud of their accomplishments in this program. We do take some satisfaction in the knowledge that 736,000 needy persons received food during the past year. It is gratifying to note that there was an increase of 100,000 persons served over the preceding program year. And it is noteworthy that a majority of organizations representing the poor communicated to our board their

preference for continuation of the Food Distribution Program when our county considered conversion to the Food Stamp Program.

The commodity program within San Diego County has demonstrated in a visible way the meaningful contribution additional foods can make to low-income families. And, it is our purpose to suggest that the commodity program can meet the food needs of this Nation's poor, if we can only be flexible and innovative in our approach to doing it. I have suggested consideration of the use of retail outlets for food distribution to the poor, and I have also commented on the contributions private agencies and citizens can make to improve an expanded program delivery. I do not presume that these are the only avenues to improve delivery but suggest that we formulate, consider, and test new methods of delivery that could effect greater efficiency, economy, and responsiveness to the poor.

Senator, that is the end of my prepared statement, and I would be delighted to answer any questions that you might have.

Senator PERCY. This is a very discerning and helpful body of testimony. I am a little confused about some of the conclusions that were reached as against this phrase that you use, "radical conceptual changes are required in the program." I really felt when you said that that you were implying that food stamps or some improvement on that program would be the answer, and yet you report that local sentiment, expressed through organizations representing the poor, when given the alternative of going to food stamps still prefers direct distribution. How do you account for that sentiment on their part?

DISSATISFACTION WITH FOOD STAMP PROGRAM

Mr. MCCULLOUGH. Senator, don't interpret this as total satisfaction with the commodity program, but also a very, very strong dissatisfaction with the Food Stamp Program.

We have over the past 2½ years since entering this program met formally with the representatives of various poor organizations and with program beneficiaries at distribution outlets. We have attempted to keep them advised regarding both programs. We need their input in order to make certain decisions. And there is still great disenchantment with the buy-in provision of the Food Stamp Program; the provision in the amendment that allows for reduced purchase requirements also reduces program benefits. So there is really no answer there. In San Diego, and I think in California, the level of public assistance grants are such that purchasing food stamps becomes a very difficult thing for a family to do each and every month.

Senator PERCY. Well, when they are given the choice of food stamps or commodity distribution it is an unfair choice because commodity distribution is without cost while with food stamps they have to buy commensurate with their ability to pay. Are they then saying in contrast with requirement to provide a certain amount of cash for buying that they feel food distribution is better even though they point out many deficiencies in food distribution?

Mr. MCCULLOUGH. That is exactly it.

Senator PERCY. Given the choice between food stamps which may be without cost and food distribution without cost where would the choice be?

Mr. McCULLOUGH. Given that choice I am sure it would be for food stamps without cost.

Senator PERCY. I suppose, going back to the Ben Henemann studies and other studies, that given a choice between food stamps and cash they will always choose cash.

Mr. McCULLOUGH. Certainly.

Senator PERCY. Of those eligible to participate in San Diego County, what is the level of participation? What percentage of participation do you have?

Mr. McCULLOUGH. I really don't know, Senator. It is very difficult to get accurate information on the potentially eligible. The economy, if you will, creates eligibility through labor disputes, if you will, and then the eligibles are removed due to settlement. My guess is that probably 80 percent of the potentially eligible in San Diego participates. Some who are eligible don't participate on a consistent basis. They hit and miss, and I think this has to do with the convenience of the program to them.

Senator PERCY. Why is the income limit so low in such a relatively high income or expensive area as San Diego?

Mr. McCULLOUGH. The income levels are really extensions of USDA-approved operations. The income level is in the process of being revised upward. However, we have been advised in the State that no amendments to the income standards should be submitted until such time as the national eligibility standards are promulgated.

Senator PERCY. Could you give us a comment on the quality of food?

Mr. McCULLOUGH. Yes; I would like to.

Senator PERCY. And, have you experienced any difficulties with the packaging, and so forth, of it?

Mr. McCULLOUGH. Yes; we have had consistent problems with packaging in given items, and I think that these problems have been communicated to appropriate officials within USDA.

We received, let me just say, very interesting press, to use a euphemism—last week, after the first day of testimony—regarding rusty orange juice. During the last week I have been up to my ear lobes in orange juice, I want you to know.

### DESTROY DAMAGED COMMODITIES

But I want to make it clear that a damaged or out-of-condition product does not get to the beneficiary in San Diego County, and I can only speak for this country. But anything that is rusty, that is torn, that is ripped, is never made available for distribution. It is destroyed.

Senator PERCY. What do you do with it, just throw it away?

Mr. McCULLOUGH. Destroy it and report it.

Senator PERCY. Do you think other counties are as careful as you are in this respect?

Mr. McCULLOUGH. Senator, I think they have to be. And I think that they are.

Senator PERCY. What is the frequency with which you must dispose of food? Have you had bursting of cans or cans that were rusty and labels torn, and so forth?

Mr. McCULLOUGH. Yes.

Senator PERCY. How frequent is that, or is it relatively infrequent? That will happen in any retail store also.

Mr. MCCULLOUGH. The incident with the orange juice was the first occurrence of really bad packaging in this product. And during the last quarter we destroyed somewhat over 500 cans in the distribution center and an additional estimated 70 cases within our warehouse that didn't even get out to distribution centers.

I was with the USDA inspector Wednesday morning, and his speculation upon looking at this product was that—let me just digress for a moment. I am not an expert here, but the product is put into the can warm, it is then sealed and sent through a cooling water stream, then blown dry and labeled. Routinely the can would sit in a warehouse for a period of time to dry. This particular shipment went directly from the labeling process directly to cases and then directly shipped. He suspects that there was a great amount of condensation due to water left on the cans, and this ultimately resulted in rust.

### NO INSPECTION IN WAREHOUSE

In addition there was no individual inspection of cans as they stood in the warehouse, and there were some cans that were leaking, and this also contributed to the problem.

Senator PERCY. How do you file complaints or bring these conditions to the attention of the Department of Agriculture, and what has been their response?

Mr. MCCULLOUGH. We submit letters to the regional office through Los Angeles County which acts as our distributing agency. We have sent samples, for example, where we have had consistent problems with polyethylene packaging; we send them bags to show them the problem seams. We send them contract numbers, delivery order numbers, all of the backup information that they would have to have in order to determine who the processor or vendor was. I must say that response from the regional office has really not been forthcoming. We give them the input, but we don't know what action is being taken. Informally we are advised that appropriate people have been notified of the packaging problem.

Senator PERCY. Do you think it advisable for them to respond and reply to you and let you know what they are doing? It reminds me of the State Department—a great complaint that people make in embassies around the world is that when they pour the stuff into the State Department, they very seldom hear anything back. They don't know where it goes, into whose file or which wastebasket, or even what it is, and when they get a reply they are so grateful that someone on the other end has received it and done something about it.

As a person working in the field do you think it would be worth their while to just drop you a note, let you know they have received your complaint and here is what they have done about it?

### MAIL COMMUNICATION NOT EFFECTIVE

Mr. MCCULLOUGH. I certainly do, and I think—go even a step further—I think it would be quite beneficial to have representatives of the processor come out and take a look at this stuff once in a while.

I think that in commercial business, for example, where there is a bad product or problems due to packaging, the representative of the manufacturer takes a look at it. I don't think this is a bad idea. Let him take his observations and recommendations back to his people—I think the more input that we can get on this the faster the problem will be solved. What we are doing now is communicating through the mails, and you know that at times is not very effective.

Senator PERCY. And lastly, I would like to commend you on bringing volunteer groups in. I think this is a highly innovative part of your program and helped contribute toward its success. How would you suggest other counties involve volunteer groups? Do you think they ought to place high priority on doing this?

Mr. MCCULLOUGH. Well, I think that they should, Senator. We have had a trenmendous amount of success utilizing volunteers, and I think the first step is to create interest. We have found where there was interest there is now commitment. There are certainly the classic agencies that you would look to, the Salvation Army, the hunger groups that are forming in many communities across the country, and develop firstly, I think, a base, one or two agencies, and these agencies rub shoulders with other agencies, and the thing just kind of compounds itself down the line. This is how we began. And one of the things that is very important to my mind is to make those that want to volunteer time and resources an integral part of the program. They can't be outside, they have to be involved.

Senator PERCY. We thank you very much indeed for being with us.

Mr. MCCULLOUGH. Thank you.

Senator PERCY. It has been very helpful, and we look forward to seeing you some time next year in San Diego.

Mr. MCCULLOUGH. Fine. Thank you.

Senator PERCY. Our last witness this morning is Mr. Warren Breland, former director of commodity distribution in Nassau County, N.Y.

Mr. Breland, I must excuse myself for a few minutes to make an urgent phone call for which I have just had a message. Mr. Sommer will take the chair, and if you just carry on I will be right back to you.

## STATEMENT OF WARREN H. BRELAND, EXECUTIVE DIRECTOR, FREEPORT, LONG ISLAND ECONOMIC OPPORTUNITY COUNCIL, INC.

Mr. BRELAND. Good morning, gentlemen. My name is Warren H. Breland, presently executive director of the Freeport, Long Island Economic Opportunity Council, Inc. I am here today as former director of the Long Island People's Association, an organization which existed for approximately 1 year, from July 1969 to July 1970.

In July of 1969, the government of Nassau County, contracted with the Long Island People's Association, to administer its commodity distribution program for all eligible families in Nassau County and to provde consumer, nutrition and health education services through the distribution network.

Prior to July of 1969, the County of Nassau had handled the com-

modity distribution program itself, distributing from eight centers, widely spaced throughout the county. As that system was set up, individuals eligible were required to personally visit the distribution points to pick up their monthly allotment of food. Because of the inadequacy of public transportation on Long Island, the unavailability of private transportation, many who were eligible did not use the program, and those who did suffered severe difficulty in reaching the distribution points.

As incorporated in 1969, the Board of Directors of the Long Island People's Association, Inc., consisted of one representative of each of 30 communities, with the town of Long Beach having two representatives. In addition seats were reserved for representatives of the following 14 community organizations:

1. Welfare Tenants Coordinating Committee;
2. Economic Opportunity Commission of Nassau County;
3. Long Island Council of Churches;
4. Long Island CORE;
5. Regional NAACP;
6. Tri-Faith Committee;
7. Diocese of Rockville Centre;
8. Long Island Rabinnical Association;
9. County executive office;
10. League of Women Voters;
11. Nassau County Cooperative Extension Service;
12. Department of Social Services of Nassau County;
13. Health and Welfare Council of Nassau County; and
14. Nassau County Board of Supervisors.

During the short lifetime of Long Island People's Association a concerted effort was made to involve consumers of the running of the organization and shortly before the phase out of this program with the advent of the Food Stamp Program, a community-wide election, was held to elect a consumer board which assumed operating responsibilities for the organization.

### Distribution System

One of the major difficulties and the chief deciding factor in the county of Nassau's decision to subcontract its commodities distribution program to the Long Island People's Association, Inc., was the fact that there were few distribution points, and these were all at considerable distance from those eligible for the surplus commodities. As a result those for whom the program was designed were not utilizing the program.

Long Island People's Association immediately set up a network of local distribution centers in 31 selected communities throughout the county. These storefront distribution centers were open daily from 9 a.m. to 5 p.m. to serve welfare recipients and low-income residents at their convenience. Efforts were made to create the atmosphere of a retail establishment so that recipients could feel at ease in visiting the stores and picking up their allotment.

Commodities were centrally warehoused at Mitchell Field on Long Island, and trucked to the neighborhood distribution points of a scheduled basis by LIPA employees using vehicles leased by LIPA, Inc.

Administration of the program and supervision of the 31 distribution points and their employees were conducted from a central office of the association at Hempstead, N.Y.

### Cost

As subcontracted from Nassau County to Long Island People's Association, total budget for the year of operation approximated $990,000. Of this, the largest portion covered salary costs of the 115 LIPA employees, both central staff, warehouse personnel, and community storefront staff in the amount of $780,000 per annum. This cost was entirely reimbursable to the county from the State. Approximately 100 of the 115 employees were former welfare recipients. In addition, rental costs for the distribution centers were $110,000 which sums went directly into the private sector in the form of monthly rental payments from the county, through LIPA.

Cost of the food delivery system, covering subcontracting with private trucking firms and equipment rental firms amounted to approximately $70,000. Overall administrative costs amounted to approximately $40,000 per annum.

### Staffing

Central administrative staff of Long Island People's Association consisted of an executive director, community organizer, and nutritionist.

When considering the effectiveness of decentralizing the distribution of surplus food commodities, the accomplishing of the Long Island People's Association in its short lifetime should be considered:

1. Availability of the distribution service to consumers in their own or near communities on a regular, daily basis.
2. Distribution of a million pounds of food each month.
3. Doubling of the number and variety of foods being distributed to consumers.
4. Enrollment of 7,000 new participants within 3 months of the program's inception, more than doubling the number of families receiving food. Maximum number of families served reached 12,000 monthly. This figure represents approximately 80 percent of the then eligible resident welfare population.
5. Recruitment countywide of volunteers to aid in the delivery of needed commodities to the elderly and disabled who could not leave their homes.
6. Employment for 100 people who were formerly totally or partially dependent upon public assistance.
7. Training of neighborhood store personnel to make referrals to social service agencies in the county and to distribute health, nutrition and consumer education information.

As can be seen by this list of accomplishments, the aim of the Long Island People's Association was twofold. Not only was it concerned with the vitally needed efficient distribution of commodities to those in need but in addition, it was concerned with and successful in involving to a high degree consumers at all levels of the operation of the program.

As has been mentioned earlier a community board was elected shortly

before the demise of the program was dictated by the institution of the Food Stamp Program. This consumer board was the result of community organization efforts on the part of central LIPA staff, which aimed at organizing those utilizing the neighborhood distribution centers. Each center was designed not only as a depot for food commodities, but also as a community information and referral center.

Personnel of the stores, which were residents of those communities received training from central staff in consumer matters, nutrition and health. They also become familiar through this training process with other services offered through county and community agencies and served as a vital link between consumers and those agencies. Libraries relating to consumer needs and services were set up in each of the centers, and classes in food preparation were conducted by the LIPA nutritionist.

As consumers used the centers on a regular basis, they became familiar and confident in the personnel and consulted them and sought advice on other difficulties they were having.

The storefront distribution centers became community meeting places, utilized in off hours by consumers for meetings and classes of interest to them.

One of the points which cannot be overemphasized is the value of having a comfortable center which attracts consumers on a regular basis. The centers enabled us to identify those in need, to bring them together in groups and to make available to them a means through which they could express their needs. As consumers utilized the centers, inadequacies in other services were highlighted. Difficulties which are common to those attempting to thread their way through the complicated maze of even the most well meaning public agencies cropped up again and again and LIPA personnel were effective in an intermediary role between client and agency.

We held high hopes for the Long Island People's Association, Inc. and its network of neighborhood distribution centers as a creative link between the consumer of service and those agencies designed to provide those services. The stores were "natural" gathering places for consumers and could have been the base for a vital consumer service. Since they were consumer operated, there would have been authentic reflection of need which would be invaluable to those designing services.

### Potential of Stores

The potential of the stores, which was largely untapped due to the short life of the program, include the following:

1. Base of coordination of local resources, such as individuals who might want to volunteer in various specialized areas, such as transportation, medical, or legal needs.
2. Base for dissemination of information to consumers relating to services available to them. One of the great difficulties of government agencies is bridging the gap which separates them from consumers.
3. Provision of a decentralized touchstone for those in distress, for a speedy means of evaluating needs in crisis and direction to solutions.
4. A base for organization of consumers around other community concerns, in their own locale.

This potential is mentioned primarily because it should be realized that while the Federal Government through the Office of Economic Opportunity and the State and local governments have been attempting to render relevant service to the poor on Long Island, their services are bunched either in central, hard to reach locations, or are limited in number such as the 11 antipoverty programs now in existence in which they reach only a portion of the eligible poor on Long Island.

The county has attempted to decentralize some of its service, but again in a very limited number—five—of cooperative service centers which serve the vast 274 square mile area of Nassau County. A map* of the location of the 31 distribution centers is attached to my statement which will illustrate the thoroughness with which location was integrated into the distribution plan.

The commodities distribution plan as administered by the Long Island People's Association was a creative successful response to a need in the county. It not only got the job done in relation to moving food from warehouses into the hands of people who were hungry, but it also was a beginning of the forging of a link between government and the people which is still badly needed.

You will see attached to the statement a list of stores* which were operated, a map which will show you the seven or eight county distribution points before we took over the program, and the box marks will indicate the 31 stores operated under the Long Island People's Association.

I also attached a staffing outline of our organization and how it worked. And as the ex-director of this organization I would like to say that I feel that we did a job well done, and that this design itself created the most impact on us better being able to serve the needy or hungry in Nassau County.

Senator PERCY. It seems to me that you operated, Mr. Breland, a program under ideal circumstances with real participation from the people, broadspread distribution, convenience, and easy access to the food.

What is the comparison, do you know, between the success of that program—which certainly was as good as any could be made—and as against the Food Stamp Program that is now in effect?

Mr. BRELAND. Well, the Food Stamp Program has been in operation a year, and I don't have any hard statistics. During the time when the Food Stamp Program was coming in Nassau County we had done some research ourselves on how it had affected, for instance, Philadelphia—which is very close to us. We found that it had a large percent of dropouts from participating in the program, as much as 50 percent.

### REASONS FOR FOOD STAMP DROPOUTS

I know because of my present duties as executive director of a community based program in Freeport, which is one of the large cities there in Long Island, that there are a large number of people who just don't participate, and I would say that they probably have had close to 40 or 50 percent dropout rate. And it is for several reasons—the special lines in banks to buy the food stamps, people can't always

*See Appendix 1, pp. 2421, 2422.

get to the banks during their operating hours to purchase them, and some banks limit the purchase of the stamps only to certain days of the week, special lines in food stores, having to buy all of your food stamps in one lump sum, use all of your food money.

A lot of it, too, is that once the money is put in the food stamps they can't use that money to help offset other costs with the limited welfare budgets which a lot of that food money was used for before. Surplus food commodities were free.

We did a small survey on what the consumer was actually losing by going on food stamps, and in a particular instance where we were talking about a family who was allotted $20 a month for food and they would get an extra $6 by enrolling in the Food Stamp Program it would actually be losing approximately $14 because the food they were getting free was worth about $25. And they would really be taking a loss—we put a value on those commodities—of about $20 for a family of two.

Senator PERCY. When the commodity program was phased out in Nassau County what was the reaction of the recipients?

Mr. BRELAND. First I would like to tell you that we had a poll, we actually set up boxes and asked the people who we were serving to vote for which program they thought would be best for them, and giving them information on both the Food Stamp Program and the surplus food commodity program; and we didn't have full participation in the voting, but we did get 4,993 positive votes for the surplus food commodities and there were only approximately 400-some people who voted in favor of food stamps. So if it was up to the people as to the choice of kind of program based on the information that was given them they would rather have had surplus food commodity program. That money they were getting for food on their welfare budget was still going to be there with surplus commodity. It wouldn't mean losing that money.

Senator PERCY. You indicated that you made food available in a sort of retail store atmosphere, making it easy for recipients. How did they pick up the food and what quantity of food would they have to pick up at any one time?

Mr. BRELAND. Well, the food could be picked up any time during that given month, so that it wasn't always necessary for them to pick up all of their food at one time even though in most cases we did try and complete one order when the person was in the store.

Senator PERCY. For the month?

Mr. BRELAND. For the month.

Senator PERCY. So they had to fulfill the order for the whole month whenever they came in?

Mr. BRELAND. Yes.

Senator PERCY. What means of transportation did they use?

### PROBLEMS OF TRANSPORTATION

Mr. BRELAND. A lot of them were using transportation that was provided through volunteers, through us. But that wasn't a large percentage. A lot of them came by bus. A lot of them were in walking distance. Some of them had to use taxicabs, because some of the people that came and picked up food represented heads of household of large

families and it was a lot of food to carry. But transportation was one of the difficulties and one of the problems that we hadn't overcome. We are working toward it.

We are trying, for instance, to get the county to provide vehicles during certain days of the month to transport food.

But that was one of the problems we had. But they would mostly come by bus.

Senator PERCY. Now you took 100 people who were on welfare and hired them for this program. What was the cost to welfare agencies that maintained them on welfare? And what was your cost for cash payment to them for becoming workers in this program?

Mr. BRELAND. I don't have any hard figures, and I tried to be as complete as I could—I don't have any hard figures as to what it was costing the welfare department to maintain them while they were on welfare. But I would say that the point of cost between what they were paying out and what they were actually collecting in salaries isn't crucial; but the point that is crucial is the point that they were on jobs, salaries, they were people who were collecting moneys which were going to go back into the economy of that county.

I don't have any hard figures on that particular comparison that you are asking for.

Senator PERCY. What was their own individual satisfaction they were getting out of life working for a living, helping others, getting salaries, as against their condition and mental frame of mind when they were welfare recipients?

Mr. BRELAND. Well, I think I can answer that by saying that, you know, through working with these people, especially I think that anyone who had been a part of it who had heard any fallacies that related to people on welfare like it and don't want to work would see that there was a 100-percent change in the individual as far as how the individual felt about themselves and their children and things that they could do. They were able to look at higher goals. They were glad to have something to do, and they were glad to be a part of helping in a program that was helping other people like themselves.

Senator PERCY. Is that generally your feeling about welfare recipients? Is the cliché that they want to be on welfare and don't want to work not true?

### MAJORITY NEED TO BE USEFUL

Mr. BRELAND. I think in the large percentage it is a fallacy, and I think if we just deal with human nature alone that it is hard to just waste away a day. I think that if people on welfare had money to go out and travel and do a lot of other things with their time this could be true. But we know, that with the limit of money that they have, all they can do possibly is sit home and watch television—which isn't a way of life for anybody.

Senator PERCY. So that the added cost of putting them to work and making them useful would prepare them for later?

Mr. BRELAND. Right.

Senator PERCY. Was much training required for the 100 people to qualify them to help distribute the food?

Mr. BRELAND. The training was basically in stages, about a month or so in the beginning, and we continued training sessions throughout

the program. But initially because we were running sort of a production operation, adding some action kind of techniques to it, most of the people were able to pick it up very fast. A lot of the people who came to us had talents that weren't being used. They just weren't able to get jobs, or for some reason they were discriminated against when they applied for jobs. I think a lot of it was that we said you could do it and said all you have to do is put some time in, a little bit of your energy and time, and we will get you where you want to go, and we found they grew with the job. They started reaching for other things they wanted to know and learn.

The other thing was at the close of the food commodity program the people who were working in the program, primarily the 100 welfare recipients, had formed themselves into an employment committee or council where they went through the county government and petitioned them for jobs. They said if you are going to put us out of work again and back on welfare we are not going to stand for it, and because of that all of them were phased into county government in jobs. Some of them went into the training programs, and I spoke to a guy a week ago who told me he is now in the engineering department in the county, which is an accomplishment for him. He was at that point told he was on welfare and out of work.

Senator PERCY. You indicated that you used the distribution centers in off hours for classes and for meeting places. Did you experience, as a result, much theft of commodity foods and was theft much of a problem for you at any time?

Mr. BRELAND. We had very, very few problems with, I think, theft as a problem. I think most of the percentage of what could be stolen was what was destroyed or lost because of poor packaging. I listened to the other gentleman speak——

Senator PERCY. Did you have some of the same problems with poor packaging and quality of products?

Mr. BRELAND. Well, poor packaging rather than quality of product. I found—and I have eaten a lot of surplus foods, which you are going to be enjoying tomorow. Some of the surplus food commodities are better than some of the things available at retail stores, the cheese and butter and things that are available there. Of course, there is a large problem with the canned meats. Meat is a product people like to eat like a steak or pork chop or something of that nature. There is no comparison with getting canned chicken and chopped meat in a can. That would be the area that could be improved on, meats.

Senator PERCY. As far as quality is concerned—and you have had broad experience—did you not receive complaints on quality?

### NO COMPLAINTS ON QUALITY

Mr. BRELAND. We did not receive complaints on quality. I think a lot of the problem of what people relate to the quality of food is you have to know how to prepare that food. It isn't prepared as any other food is prepared that is purchased in the store.

So we emphasized running cooking classes. We would even go out and visit in homes a lot. The powdered egg, unless it is made up in a certain way—it is how you make it, whether it comes out good or whether it comes out tasting poorly.

Senator PERCY. What kind of nutrition education was provided to LIPA members, and do you think nutrition education is a good investment to make sure the food is properly prepared?

Mr. BRELAND. Well, I think because of the people we were serving and the people who were working in the program, they didn't have to deal with nutrition from a professional point of view. I think what we are talking about in nutrition education, we are talking about what a child should eat daily, we are talking about vitamins, the importance of milk, that a child should eat breakfast before going to school, how it affects him in his school work. We are talking about what kind of food provides what, and what effect they have, especially as far as mothers during pregnancy, things of this nature. We talked about vitamin deficiencies and their effect on people, these kinds of things.

It wasn't, as I say, a professional or complicated nutrition education program. It was just grassroots, to the point, and I think that it had a greater impact than if we had published some literature on nutrition that would have dealt with all of the other approaches that have been taken toward nutrition.

Senator PERCY. Well, tomorrow for our luncheon, even though Senate regulations require that our cook prepare the food, it might be a good idea for someone from USDA to come over and give us some tips on how to prepare food. We want to have as good a meal as we can for my colleagues.

Did the Department of Agriculture provide any extra resources for the operation of LIPA?

## GOOD WORKING RELATIONSHIP

Mr. BRELAND. No; to my knowledge we had a—I didn't deal directly with all of their representatives. There was occasion I had a chance to meet with them. I do know that the working relationship between their staff and our staff was good. Outside resources—the program was financed through our corporation and we paid all the bills, the county was reimbursed 100 percent. I am not sure where the money came from.

Senator PERCY. Was the administrative budget adequate for the needs of such a large program?

Mr. BRELAND. Yes, the administrative budget was adequate. What we found was we were taking a sum of money that was maybe a little larger than the county was using to operate the program, but doing a more effective job. I think if we would compare the amount of output as to what the input was, I think percentagewise we delivered a better program for the same amount of money or a little bit more money than the county was at the time.

Senator PERCY. You have dealt with elderly people, and I notice that you provided for volunteer assistance in getting commodity foods to them. Have you had any experience in the community feeding of the elderly? Do you feel that the community center you mentioned is a good meeting place for people? Our experience with community centers for the elderly has been that not only is it a good central point for them to get a hot meal and come together and meet with other people, but also it provides the social climate that elderly people need. Just feeding them food back in their room doesn't fulfill much

of a need other than keeping the body going. It doesn't do much for the human spirit.

Do you feel that community centers of this type would be a good investment for the community and the Federal Government? These facilities could provide a central meeting place where the elderly could get transportation, assistance, job retraining or work and recreation, of course?

Mr. BRELAND. Well, I think, Senator, to answer that question I would like to say that I think a lot of the people who are in need, whether it is food needs or other needs, aren't being served throughout the country because they don't know how to get to the services or they don't know about them, people don't know where they are. We use the term in Nassau County "the hidden poor." We found that people will take pride in something that they are a part of or feel a part of.

I don't know how lucrative it would be to serve meals in a center of that kind, but we found groups would come in and meet. We found that Mrs. So-and-so who lived on one side of a small town would take 10 or 15 minutes to talk to Mrs. Jones who lived on the other side of town, and it was, like you say, a place for them to get together. A lot of older people lived on their own and they didn't have any social activities going before that.

The other thing was that we found that almost 80 percent of them were not participating in the program because they couldn't carry the food or couldn't get to the food, and they were just making do somewhat.

### NO ALLOWANCE FOR SPECIAL DIETS

One of the other problems there was that a lot of them were on special diets and none of the surplus food commodity programs allowed for special diets. We found the problem and went out and got different foods donated. The diabetics would have to have low calorie type food, things of this nature. A lot of that wasn't available from the U.S. Department of Agriculture surplus commodity.

Senator PERCY. I want to thank you very much indeed. Your testimony has been extremely valuable and helpful to us.

These hearings will be recessed until tomorrow morning at 10 o'clock, at which time the committee will meet in room 318, the Old Senate Office Building, which is the caucus room over there. Immediately following the hearings the committee members will be invited to participate in a commodity food luncheon.

Mr. BRELAND. I would like to thank you, Senator, and your staff for inviting me down, and I would like to say to any groups that you have who are interested, who are still operating such a program and would like to talk to me personally for some information on this particular design, a county subcontracting out to a private agency, I would be more than willing to provide that kind of information to them.

Senator PERCY. It seems to me that you had one of the best programs going in the country, and the nice part of it was that it was the people's program. They were participating, they were running it, and there is just no substitute for that kind of participation.

Mr. BRELAND. If we can learn to let them play an important role in decisions that are made about their lives I think we are going to be halfway there with dealing with the whole program.

Senator PERCY. Fine. Thank you very much.

The committee is in recess, to reconvene at 10 a.m., on Thursday, in room 318, of the Senate Office Building.

(Whereupon, at 12:15 p.m., the Select Committee was recessed, to reconvene at 10 a.m., on September 23, 1971, in room 318, of the Senate Office Building.)

# FOOD DISTRIBUTION PROGRAM

THURSDAY, SEPTEMBER 23, 1971

U.S. SENATE
SELECT COMMITTEE ON
NUTRITION AND HUMAN NEEDS
*Washington, D.C.*

The Select Committee met at 10:05 a.m., pursuant to call, in room 318, of the Senate Office Building, Senator Percy, presiding.

Present: Senators Percy, Cook, and Schweiker.

Staff present: Kenneth Schlossberg, staff director; Judah C. Sommer, minority counsel; and Elizabeth P. Hottell, professional staff.

## STATEMENT OF SENATOR PERCY, PRESIDING

Senator PERCY. This is the last in a series of four hearings which have attempted to investigate and analyze the Food Distribution Program of the U.S. Department of Agriculture.

I would first like to commend the Department and the administration for the job that they have attempted to do in providing food for hungry Americans within the limitations of the program. They are, after all, restrained by authorizing legislation. The intent and purpose of the program as set up originally was not just to feed hungry Americans. It was to take care of overproduction and see what could be done about disposing of the food as judiciously and properly as possible.

This committee has held these hearings as part of its oversight responsibility of this particular program. In chairing these meetings, I have tried to take into account that the Hunger Committee itself was a temporary committee set up by the Congress. My responsibility as the acting ranking Republican on the Government Operations Committee, which provides continuing oversight of Government programs has provided me with insight and understanding that will stand me in good stead for this series of hearings. So I look upon this as a very important part of the education of the entire Congress on the intents and purpose of the program that was set up many, many years ago.

If we find failings in the program because of the lack of comprehensive legislation, we will act to fulfill our obligations by recommending corrective legislation. In this area we certainly appreciate the suggestions and ideas of the Department. If we discover deficiencies in the Federal administration of this program, we will instruct the USDA to correct them, and we will work cooperatively with the Department.

We have heard testimony which has focused on the plight of the recipients. We have heard how the private sector would improve nu-

tritional labeling and nutritional balance, improve the distribution of the commodities and improve the quality of packaging. And we have heard about the difficulties some States have had in the utilization of money used for operating expenses and the success some localities have had with the participation of volunteer groups and recipients in the operation of the program.

From all indications, this program will be in operation for some time to come. It is important, therefore, that the Food Distribution Program become as responsive to the needs of the poor and the farmer as it is to some processors and the farm bureaucracy.

We are very happy to welcome this morning Assistant Secretary Lyng and his colleagues, and we are delighted to hear from you.

**STATEMENT OF RICHARD LYNG, ASSISTANT SECRETARY, CONSUMER AND MARKETING SERVICE, U.S. DEPARTMENT OF AGRICULTURE.**

Mr. LYNG. Thank you, Mr. Chairman.

I have on my right Mr. Edward Hekman, who is the Administrator of the Food and Nutrition Service of the U.S. Department of Agriculture, and on my left Mr. Juan del Castillo, who is Director of the Food Distribution Division of the Department.

FOOD DISTRIBUTION PROGRAM

It's a pleasure to have an opportunity this morning to comment on the Food Distribution Program of the U.S. Department of Agriculture,

I will try to outline our role in this program and describe both how food is distributed by the program and how that food is acquired.

Food distribution fulfills an important role in our efforts to eliminate hunger and malnutrition. Together with the Food Stamp Program, it provides food assistance to over 14 million people from needy families across America. One or the other of these family feeding programs operates in virtually every county in the Nation.

In recent years there have been important improvements in the Food Distribution Program. A broader assortment of items has been made available to participants, and, since 1968, the amount of food distributed, per person per month, has nearly doubled. The value of that food has more than doubled.

The focus of the Food Distribution Program has changed too. This program had its beginnings in the 1930's when people were going hungry at the same time farm surpluses were piling up and farm prices were disastrously low. It made sense to try to solve these two problems—the problems of food shortage, and of farm surplus—through a food distribution program.

In 1969 the Department of Agriculture made it clear that focus of food programs would be on food needs and the elimination of hunger and malnutrition. The Food and Nutrition Service was established to be an agency ". . . whose exclusive concern will be the administration of the Federal food programs."

Food program managers now determine food requirements. Commodity procurement is handled by specialists in the Department's

Consumer and Marketing Service and in the Agricultural Stabilization and Conservation Service.

Under this system the Food and Nutrition Service provides information on the number of people taking part in the program, and the type and quantity of food they will need. This is information obtained from the State and local cooperators in the program. It is provided to the Department's procurement specialists who then move to obtain the needed commodities.

### Program Benefits Agricultural Producers

These procurement specialists become expert in accomplishing the most good with their purchases. When they get requests for particular foods from the Food and Nutrition Service—for dehydrated potatoes, or processed eggs for example—they are able to pick the time of the year when they can get the best buy, and when they also can do the most good for the producer and for the rural and farm economy. When the request is more general—for a fruit or a vegetable or a meat—the procurement specialists try to supply that need by selecting a specific fruit, or vegetable, or meat that is in ample supply. In this way they get the most for their money and often help relieve a market supply-demand imbalance. So the program today, even though primary emphasis is upon the nutritional requirements of needy people, still benefits agricultural producers.

We should remember that marketing of farm products follows seasonal cycles. When quality is at its harvesttime peak, prices are often at a harvesttime low. By concentrating purchases at this time, we get both the best prices and the best quality.

This procurement process lends substantial support to farm markets. For example, in the past fiscal year, a period when hog prices were at disastrously low levels, we purchased almost $100 million worth of pork products. About $55 million of that went for canned pork in natural juices and luncheon meat for family distribution and about $42 million was spent for frozen ground pork for the School Lunch Program. This purchase program has helped both needy families and hog producers.

### Specifications Insure Quality

The quality of the foods we distribute is the very best. All USDA procurement is done according to specifications which insure that USDA commodities are of truly high quality.

Distribution of foods to the needy is the responsibility of the Food and Nutrition Service and cooperating States and counties. The Food Distribution Program operates in 1,051 counties in 34 States. In New Hampshire, Delaware, and Oklahoma, food distribution is the State's sole family feeding program. Although the majority of participating counties tend to be rural, a number of major cities including Boston, Atlanta, Dallas, and San Diego have food distribution programs.

The program is operated at the State level by a department of State government, usually the State's welfare or social services department. USDA delivers food to State warehouses where it is then distributed by the State to local distribution points.

Needy families are certified for the food distribution program by welfare offices, and then pick up their food at the local distribution point. At the local level the quality of the program will vary depending on the local administration.

Some comparisons of the Food Distribution Program with our other family food program, food stamps, may be of interest to the committee.

### Cannot Match Food Stamp Program

The Food Distribution Program cannot match the range of choice or the accessibility of distribution points that the food stamp participant finds in local grocery stores. The Food Stamp Program allows participants to use the most sophisticated, efficient food marketing and distribution system the world has ever known. By doing so it helps to keep the poor in the mainstream of our culture and society.

In the Food Distribution Program we cannot even consider providing the variety of food items and package sizes; we cannot distribute fresh fruits, vegetables, eggs, meat, bread or milk. Meats, fruits, and vegetables are canned. There is flour instead of bread, and dry egg mix and dry milk instead of the fresh products.

Another difference between the two programs is that one, food stamps, is income-related, while the other, food distribution, is not. Thus the amount of benefits available under the Food Stamp Program is scaled to a participant's income. A participant in the Food Distribution Program receives the same amount of commodities regardless of his income level. For this reason some families in the upper eligibility ranges prefer food distribution over food stamps while those in the lower elegibility ranges usually prefer food stamps.

During the past 2 years we have moved to expand the Food Stamp Program substantially, but at the same time we have made substantial improvements in the Food Distribution Program.

### Nutritional Quality Improved

We have improved the nutritional value of the foods distributed, so that the package now contains 100 percent or more of the recommended daily allowances of protein, iron, calcium, vitamins A and C, thiamin, and riboflavin, and 80 percent of needed calories.

Enrichment and fortification are used wherever possible, to gain the maximum value from donated foods. Evaporated milk, instant nonfat dry milk, and all-purpose flour are fortified with nutrients and vitamins.

Cornmeal, corn grits, farina and rice are enriched with thiamin, riboflavin, and niacin, and fortified with increased amounts of iron.

### USDA Takes the Lead

The Department is taking the lead in additional fortification of foods. We are now requiring that all juices be fortified with vitamin C equal to the level in orange juice. Instant potatoes are also fortified with vitamins A and C.

We hope industry will follow the Department's lead here, as they did in the fortification of nonfat dry milk with vitamins A and D, so

that all Americans receive the high fortification levels we supply in our donated foods.

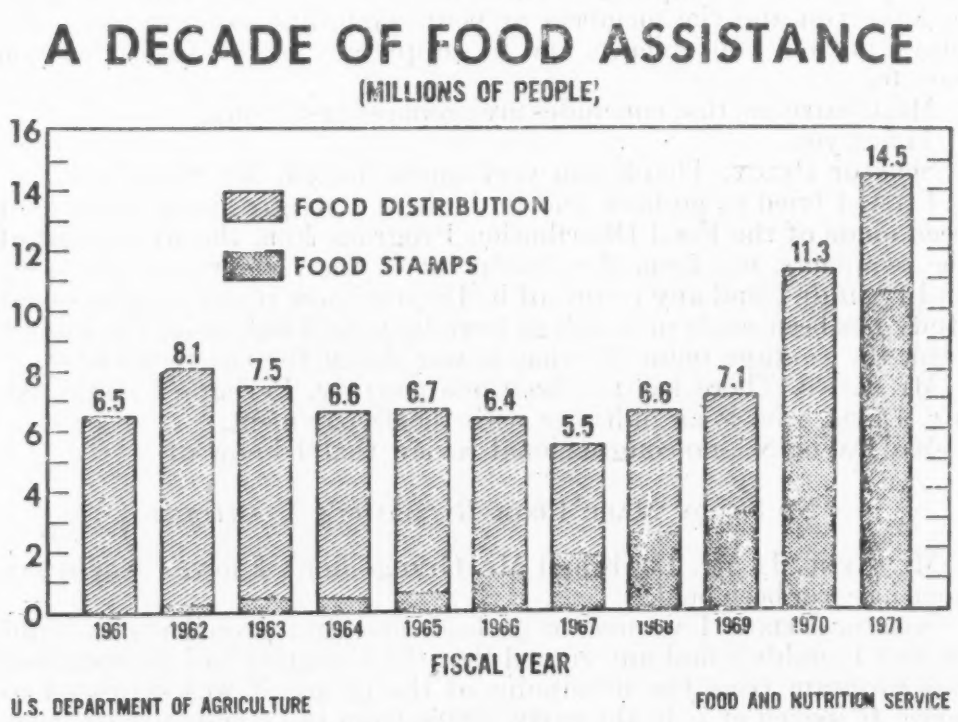
I should like to show you two charts which graphically demonstrate recent developments.

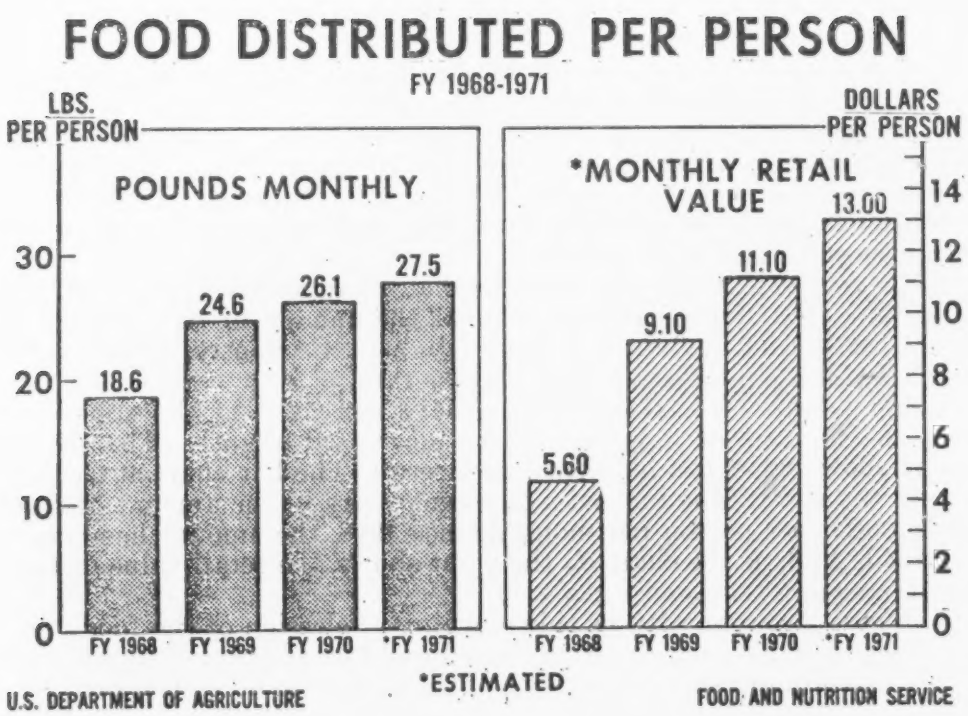
The first shows the numbers of people we have been reaching with family-feeding programs, over the past 10 years. You will note that there has been a sharp increase, recently, in the total. The big gain has come in participation in the Food Stamp Program, as that program has been improved and expanded.

But significantly, at the same time that many counties have switched from food distribution to food stamps, the number of participants in food distribution has declined only slightly. Currently, we are serving 3.5 million needy people in this program.

The amounts of food distributed have increased, at the same time that the number of participants has decreased slightly. The second chart shows what has happened as a result. The bar chart at the left shows the significant increases in recent years in the amount of food distributed per person per month. Since 1968, the amount has nearly doubled. And, as the chart on the right shows, the retail value of that food has more than doubled.

We have brought with us this morning a selection of the foods that are currently distributed through the Food Distribution Program. We have also brought samples of some of the outreach and educational materials which we provide to help participants in the program to know how to use these foods, to get the most good out of them.






And, in cooperation with personnel of your committee staff, we have prepared a sampling of these foods for you. We would be glad to have you and the members of your committee examine these displays, at your convenience, and to sample any of the foods that you care to.

Mr. Chairman, that concludes my prepared testimony.

Thank you.

Senator PERCY. Thank you very much indeed, Mr. Secretary.

First, I tried to go back and find where a congressional study had been made of the Food Distribution Program from the standpoint of the recipients, not from the standpoint of the farmer and producer, and I couldn't find any record of it. Do you know if any congressional study has been made or hearings have been held before on the subject from the vantage point of what it was doing for the recipients?

Mr. LYNG. There has not been one recently. Perhaps I could ask Mr. Davis, who is an oldtimer with the Department.

Mr. DAVIS. No, no congressional review that I know of.

### NO STUDY MADE FROM RECIPIENT'S VIEWPOINT

Mr. LYNG. If Mr. Davis and Mr. Grange don't know, I would say none has ever been held.

Senator PERCY. I wanted to go back and find precedents to build on and I couldn't find any record that the Congress had ever studied this program from the standpoint of the people it was supposed to serve. It looked at it in the early 1960's from the standpoint of what it was doing for the farmer and the producer. For that reason, I felt that it was a valuable thing for us to take up—we are not looking

for things to do in the Congress. We are all overloaded. But it seemed as though this would be an important thing.

From the standpoint of the Department, have you felt that it was a good idea to focus attention on this program? Even though it does put a burden of work on the staff to a degree, have you felt it was a worthwhile thing to do?

Mr. LYNG. Yes, we welcome the interest of the committee, and I might say that we have within the Department, even though, as I indicated in my testimony, we have been focusing a major part of our attention on food stamps, we have been spending a good deal of time in an effort to improve this program in all respects. It has not been a neglected program during the past 2 years.

Senator PERCY. I was greatly impressed with the statement made a number of times during the course of the hearings of this committee that, though there are deficiencies in our feeding programs, we are closing the hunger gap in America. As was very aptly pointed out by the President, no administration has ever done as much to try to feed hungry Americans as this administration. I think great progress has been made. The high priority placed on it is all the more reason why we should use the years ahead to totally close that gap, to fill up every single deficiency that we can. And I am very encouraged by the fact that, as you have mentioned, the nutritional quality of the products being served has been improved and, as you also said, this can serve as an example for private industry to bring up the nutritional content of shelf foods.

On page 3 of your statement you mention luncheon meat. What are the contents of luncheon meat? What is it made from?

Mr. LYNG. Mr. Chairman, if I might, I would like to refer this to Mr. Grange, the Deputy Administrator of the Consumer and Marketing Service.

Senator PERCY. We will be having luncheon meat. I am not familiar with what it contains.

Mr. LYNG. Why don't you join us up here, George, for a moment, and if you could speak to that question.

### CONTENTS . . . 50 PERCENT MARKETABLE PORK

Mr. GRANGE. Yes. Mr. Chairman, this is comparable to the luncheon meats that are sold in retail stores. One of the best known trade names is Spam. The current specification we are using requires 70 percent pork, a maximum of 20 percent can be the so-called variety meats such as heart or tongue.

Senator PERCY. What part of the pork is that?

Mr. GRANGE. These are picnic hams, butts, and the portions of pork that is commonly used in luncheon meat. And then we specify a certain amount of grind. You have to watch carefully the way it is comminuted and mixed. We have a maximum and minimum salt content. It is a very tight specification, Mr. Chairman.

We have a rigid sampling program that we follow in examining the product at the time that it is prepared. We have specifications—for example, the pork that is used cannot be held more than 4 days. It has to be held at a maximum of 40 degrees temperature prior to prep-

aration into the finished product. There are many details, sir, as to the complete specification itself.

Senator PERCY. I would like to get into the problems of storage later, but I appreciate that. Can we start now on the concept of what the Department ought to do in its relationship with the State and local communities? What is the attitude of the Department toward creation of a greater Federal presence in terms of the control of the food distribution program at the State and local level?

Mr. LYNG. We believe that it is desirable to have the State and local governments, play a major role in solving the problem of needy people. We, as in the Food Stamp Program, provide 100 percent of the basic resource, and we, of course, must have an interest in seeing that that resource is distributed efficiently and fairly and administered properly.

So we have teams moving out at an ever-increasing rate to act as both surveillance agencies doing audits and this sort of thing, but also as service people to try to improve the way in which this job is being done.

We do not think that we would advocate a greater Federal presence in the sense of having the Federal Government take over. As a matter of fact, we go the other direction in some instances.

Not long ago I made a trip to the Navajo Reservation where, together with the Bureau of Indian Affairs, we worked out a procedure where the Navajos themselves are now handling the distribution of commodities on the reservation rather than the very complicated and cumbersome tri-State distribution. The Navajo Reservation comes out of three different States and came out of two different regions of the Food and Nutrition Service. We simplified that, and now with the cooperation of everyone concerned I think we have given more responsibility to local government in that instance.

Senator PERCY. What happens, Mr. Secretary, when we find obvious abuses in the program, the blatant and crass use of the distribution program to further a political candidate's position with his electorate, as was revealed in Oklahoma? I don't know whether the person involved in that case was a Democrat or Republican. I have never inquired. But it certainly upset Senator Bellmon and Senator Cook—Senator Bellmon brought it to our attention. Is there any regulation that provides that when we find that a local politician is exploiting this program for his own personal benefit, he can be reprimanded? What action can the Department take?

Mr. LYNG. Yes, Mr. Chairman, it certainly violates our regulation, and we are as appalled as the members of the committee were at this sort of thing. The sanctions that can be taken are a bit difficult in that one obvious way is to remove the program, but the beneficiaries of the program tend to be the ones that suffer rather than the politician in this instance. It is our thought that perhaps where there is flagrant misuse of this sort, the bringing of public attention can be as important a sanction as any. We are delighted to see the committee do that, and we make efforts to do that ourselves. We think that can bring corrective procedures in many instances, and has done so in many instances in the past.

Senator PERCY. Well, certainly if there is anything we can do, we

are constantly trying to sharpen up our ethical practices in Congress—if there is anything we can do to strengthen your hand in that regard, we would certainly be interested in doing it.

### Abuse Not Widespread

Mr. Lyng. I don't think, Mr. Chairman, that this sort of thing is widespread. As a matter of fact, I am sure that it is not. I think this was an isolated instance.

Senator Percy. I am rather sensitive to it because from firsthand observation it has been common practice in Cook County. The Better Government Association, a bipartisan group, has constantly pointed out the flagrant threat by police captains to welfare recipients that their welfare will not be paid to them unless their vote is cast in a certain way. In fact they want to be sure they cast it for them. I have seen it so many times, there is no question about it, because with the voter assistance program we can have anyone come in and say "I need voter assistance, I can't read or write," and when 45 people on the roll have voter assistance, you know there is something wrong.

But I had not been aware of the use of this type of political leverage in this program before, and if it is not widespread I am delighted it is not. If it is a problem, we would be happy to try to take any corrective action.

Also, I wonder if there is any kind of problem of theft in the program. I know that we have had reported to us instances where local administrators are finding it quite easy to have the products in their own kitchens at home. I am not sure their testing three meals a day 7 days a week is legitimate. Has there been any widespread abuse of this? We have not been able in our hearings to find any ourselves. Our spot checking has been so skimpy really that I would rather have your own statement as to whether there is abuse of the program.

Mr. Lyng. During the time that I have been at the Department I have only had one instance brought to my attention, and it turned out to be a manufacturer who had an overrun on a product and then went ahead and marketed it without making the proper changes in the labeling.

Perhaps Mr. Castillo or Mr. Grange would know of some, but I do not know of any flagrant cases that have come to the Department's attention recently.

Mr. Grange. Not in your time, Mr. Lyng. There have been in the past in my memory—I don't want to sound that old—but 10 or 15 years ago, Mr. Chairman, a few instances where through very poor inventory control and very poor warehousing practices there were certain sections where it appeared that a product actually was being diverted, but because of the combination of the poor warehousing practice and poor inventory control it was almost impossible to really ascertain what had happened to the product. We knew it did not get to the needy family recipients. It may have been lost or wasted or some of it diverted. I know of nothing recently, sir.

### Not Theft . . . Administrative Problems

Mr. Lyng. Mr. Chairman, I have been reminded that we did have some administrative problems that I think you were familiar with in

East St. Louis where there were some problems—administrative problems rather than outright theft, I think—but there could have been, and probably were, some abuses of the program. This has now been corrected.

Senator PERCY. The next thing I would like your judgment on is where this program goes in the light of the very high priority placed by the President and bipartisanly by many Members of Congress on the family assistance plan. What happens to the Food Distribution Program under family assistance if and when it is enacted? And I hope it will be enacted soon.

Mr. LYNG. This has not been clearly defined, Mr. Chairman. The Family Assistance Program, does under the provisions of H.R. 1, cash in food stamps to recipients of family assistance. It does not, however, eliminate food stamps for nonrecipient participants in the Family Assistance Program, nor does it speak to commodities in any way. So that if the family assistance legislation were signed into law as it passed the House, we would have a situation where people would be eligible for commodity distribution and for family assistance. That would be presuming that there would be no change in the laws or regulations relating to commodity distribution.

Senator PERCY. I was under the impression, Mr. Secretary, that USDA was in the process of promulgating national standards of eligibility for the Food Distribution Program, but a letter I received from the Department on September 14 stated that there were "no plans for promulgation." What is the current attitudes toward this situation in the Department? Does the USDA want national standards of eligibility? Do you think they are desirable?

### WON'T PROPOSE ELIGIBILITY STANDARDS

Mr. LYNG. Yes; we believe that there would be some advantages to national eligibility standards. We have not, however, completed our work on them, nor do we expect to propose them in the immediate future. There would be a rather substantial increased cost, Mr. Chairman, in the program, because obviously in setting national standards you do not lower standards in the higher States to the low, you would have the effect of increasing the eligibility in lower States.

We have just recently done this in food stamps. These regulations are not in effect, yet, in any State, but very soon will be, and contain the national eligibility standards. And I think that it will become more and more apparent that there is a need for national eligibility standards for the commodity distribution program as well. But we do not have any immediate proposal to make in this regard.

Senator PERCY. If it is your intention to ultimately do so, though, and feel it desirable, do you have any kind of rough schedule for accomplishing this?

Mr. LYNG. No; I don't, Mr. Chairman.

Senator PERCY. Is there anything the Congress can do from a legislative standpoint to help in this area?

### CONGRESSIONAL ACTION MIGHT CAUSE MOVEMENT

Mr. LYNG. Well, of course, action by the Congress might cause us to move more quickly than we might otherwise do. I don't mean to im-

ply, however, that there is a lack of interest. I suspect that our problem has been more one of the combination of tremendous demands upon the staff in terms of food stamp expansion and the revision in regulations combined with the child nutrition program changes, complicated no doubt by some budgetary considerations.

Senator PERCY. How important do you feel it is, though, in light of the whole program? You have already taken many steps to improve the quality of the program, so if this is an important matter—even if it involves additional people, budget for special studies, consulting services that need to be commissioned, whatever it may be considering the size of the program—if having the best possible standards is a highly desirable thing, why not get to work on them now?

Mr. LYNG. It is hard to argue against that. There are also to be considered the additional State costs involved and considerable opposition in some quarters to uniform eligibility. We have quite a range in eligibility standards currently in the United States on commodity distribution, a rather wide range. I personally believe it would be desirable that that at least be leveled out. I am not absolutely certain that we would have to have precisely the same eligibility standards everywhere. But we found that our studies in food stamps justified, we thought, national uniform eligibility standards, and I am inclined to believe that I would favor the same for commodity distribution.

Senator PERCY. The States have really had no difficulty in accepting standards for the Food Stamp Program, have they? They have accepted the concept and principle.

Mr. LYNG. I expect, Mr. Chairman, we may have some difficulties down the road, but so far; yes, it has been pretty well accepted.

Senator PERCY. So if that general principle was established in food stamps, I would think that something could be worked out on the Commodity Distribution Program.

Mr. LYNG. We have some things in food stamps that we don't have in commodities such as the new work requirement, and I am sure that we are going to begin to see, particularly in those States where they have both kinds of programs, you know, that counties side by side, one with the Food Stamp Program, one with the Commodity Distribution Program, one county with a work requirement for food stamps and very much more liberal eligibility standard compared to the next county—I think the lack of similar standards for commodities with food stamps is going to begin to bring some problems to us.

Senator PERCY. I was very interested in testimony we heard from Mrs. Esther Peterson. She gave the lion's share of the credit for Giant Food's nutritional labeling program to USDA. Yet USDA has not introduced nutritional labeling on the commodities that it distributes in the Food Distribution Program. Is there a program underway for marking on the labels the nutritional value of the contents of the package?

Mr. LYNG. No, we have——

Senator PERCY. Since we are now encouraging it in commercial——

### NO PLANS TO LABEL NUTRIENT CONTENT

Mr. LYNG. We have no plans for that, and I would suspect that Mrs. Peterson would say that, perhaps, this is not the time really to do that.

What the Giant Foods is doing—and we have cooperated with them and with others that are trying to do this—is conducting what must be considered an experimental program to see in what way we can make people aware of their daily nutritional needs and then take action accordingly.

We don't have the same kind of free choice for people in our commodity programs, and among the people that we serve our approaches in terms of nutrition education are a good deal less sophisticated than the kinds of nutritional education that Mrs. Peterson is conducting through the experimental program of Giant Foods. We will watch with great interest what happens with this and with other similar programs.

It certainly would be desirable if people in the United States, rich and poor alike, had a better understanding of what they should eat each day, and we are hopeful that somewhere along the line we can learn this. We think that what Mrs. Peterson and Giant Foods are doing may be—I am sure it will teach us an awful lot, and it may be the answer.

Senator PERCY. She actually said that she was excited by the idea that USDA might do this, and she concurred with Margaret Mead's testimony a year or two ago before this committee that America knows less today about nutritional education than it did 25 years ago. It is probably the only area of human knowledge where we have regressed, because during World War II we were so conscious of nutritional education; nutritional education was so much a part of everything we were doing at the time in the midst of the food shortages of the war.

I would hope that the Department could again be the leader in this field in its own food distribution program and help the educational process at the low income level where the necessity to make that dollar really pay off is so high.

Mr. LYNG. Mr. Chairman, I wouldn't want to be misunderstood on this. Your question related to whether or not we were planning to label our foods on a nutritional basis. We are spending a great deal of effort working with the recipients and among the poor through our nutrition aides in an effort to bring them nutritional education.

Some of the things that you see here in terms of material that we are putting out go into that, with a great deal of additional detail, more than we have ever done before. We now have 8,000 of these aides working with poor people throughout the country, and they have had a real impact in a simple way improving not only nutrition, but home economics.

But for us to label our foods would present some real problems, simply as to how do you label them, what are the essential nutrients, and what form of label should be used, percentages, grams, what are the things that people are going to pay attention to. And these, Mr. Chairman, are not known today by anyone. A great deal of work is being done in private industry, by universities, by the Government, in terms of trying to determine acceptance of nutritional labeling.

Jewel Tea in Chicago, as you know, has a program that is somewhat different than the Giant program. And I think as we watch these we may come up with a form of nutrition labeling for products.

USDA Might Mislead Public

USDA would be delighted to take some leadership in this, but if we were to put the stamp of approval today on a type of nutritional labeling it would seem to me we might be misleading the public. So we are not proposing in the immediate future to do so.

Senator Percy. Well, I wouldn't want you to be misleading. On the other hand, I wouldn't want to denigrate your home economists, your nutritional experts, and your creativity, ingenuity, and ability to solve a problem and again provide real leadership. You know, we are pushing and have been pushing the food industry of this country to provide this kind of information and make more intelligible the contents of a food package, and it would be a strong point in our favor. Many of us believe that this is desirable and necessary, that proper labeling is an important part of a nutritional educational program, and would be a strong point in our favor, if we could point to the leadership that the USDA has shown in this field.

I specifically request that the Department make every effort to do this, and if it can't be done, then sit down with a simple soul like me and explain why it is impossible. But I am not yet ready to come to the conclusion that it can't be done and that it is not a highly desirable thing to do.

Mr. Lyng. It is the kind of thing that we have been working with such groups as the National Academy of Sciences on, and we will be delighted, Mr. Chairman, to present—it is not impossible, but at this point is extremely difficult to really know what you should consider as essential nutrients and what you should label.

For example, in the Giant program they have no labeling as to fat content. Most people think that there should be some indication of that, or at least many people think that. Proteins are considered essential by many as carbohydrates; and then you get into all the question of essential amino acids and protein. Is protein enough or should you give the kind of protein? It is misleading to suggest that all protein is the same.

You will recall the controversy between the chairman of the board of General Foods Corp. and the president of Campbell Soup before this committee not long ago. And these are some of the problems that we have in terms of determining what should be put on the label nutritionally.

Senator Percy. Well, we agree on the objective.

Mr. Lyng. We do.

Senator Percy. The goal is a worthy one.

Mr. Lyng. And we are going to come to it without any doubt, Mr. Chairman.

Senator Percy. Well, we will take it as a part of our responsibility to try to work with you in this area. If we have any suggestions, we will certainly pass them on. Mrs. Peterson felt that it might be well for us to contact and bring up to date nutrition experts and home economists around the country as to the nature of what we are trying to accomplish. We might solicit suggestions from some of them as to what they can contribute.

QUESTIONS FULL DISCLOSURE OF LIQUIDATED DAMAGES

I have previously requested information, and put the question now, as to whether there is full disclosure of the liquidated damages collected by the Department in the past 2 years, as provided in article 34 of C. & M.S. purchase document No. 1. Specifically I had in mind the action taken with regard to the 1-month delay in contract fulfillment by a corn syrup company in Mississippi this summer. The telegram of notification of delay is in the Department's file. The contract number is 20187–YT18.

Mr. LYNG. I don't have any information on that at hand, but we would be happy to submit it for the record,* Mr. Chairman.

In a general way perhaps Mr. Grange, who again represents the Consumer and Marketing Service, could speak generally on liquidated damages.

Senator PERCY. I would be happy to hear from you.

Mr. GRANGE. I would be glad to. Like Mr. Lyng, I do not have details on that particular shipment. We have, as you know, Mr. Chairman, from citing that provision of our standard contract, a uniform provision insofar as liquidated damages in the case of late shipment, and we follow this very closely. We do not waive the liquidated damage requirement unless we are satisfied that it was through no fault of the vendor that he was not able to ship in the time specified.

A common example, Mr. Chairman, would be a labor stoppage in a can manufacturing plant that the vendor is using to receive his supply of packaging material.

Mr. Chairman, we purchased in early July several hundred thousand cases of pineapple for the School Lunch Program. They were supposed to start delivery on August 2. None of this has been delivered yet, Mr. Chairman, because of the west coast strike. We, of course, are waiving liquidated damages in this case because the vendors would not be at fault.

We have tried to follow this closely, sir. We try to in this case, make sure that we are following uniform and consistent practices among the different contracting officers that report to me, so it is the same whether it is corn syrup that is being purchased or canned peaches or canned luncheon meat, and we hope that we are following a uniform and satisfactory practice.

That generally, Mr. Chairman, is the situation insofar as liquidated damages provision for late shipment.

Senator PERCY. Mr. Grange, I would appreciate a letter on this for the record. In the meantime can you give us some rough idea as to what the total amount of liquidated damages has been in the last 2 years? Do you have a ball park figure?

Mr. GRANGE. We can provide the information,† Mr. Chairman. With our thousands of deliveries, to give it to you for a 2-year period will be a major accounting undertaking, sir. We are for our own information—and would be very happy to provide it for you—are finding out exactly what the late shipments were for the entire Department of Agriculture, not only the Consumer Marketing Service,

*See Appendix 2, p. 2431.
†See Appendix 2, p. 2431.

but the Agricultural Stabilization Service, too, for July and August of this year. Perhaps, sir, it would suffice if we showed you the total that we purchased during that period and the amount and number of late shipments and the amount of liquidated damages that were assessed.

### Why Isn't Information Available?

Senator Percy. The reason I keep coming back to this is that I just wasn't too satisfied with your letter of September 14 responding to my letter to Secretary Hardin on September 1. The answer given to me in response to questions 6 and 7, the total dollar value for liquidated damages collected for late delivery is not available. Well, why isn't it available? It can't be found, it can't be asserted, you don't want to give it to Congress, or what? It just isn't a satisfactory answer to me. I asked for the information. I would like to know why I can't get it.

Mr. Lyng. Mr. Chairman, if it is a major accounting job we will do a sampling and give you a projection and give you some detail on the problem of giving you the precise information, but we will submit that.

Mr. Grange. We can give you the information, Mr. Chairman. We should not have said that it was not available. We can give you information on any specific contract that has come to your attention, sir. The only problem on getting it for a 2-year period is with the thousands and thousands of shipments that we have. All this work is handled in Minneapolis, Minn., centralized for both Agricultural Stabilization Conservation Service, and C. & M.S., and it just is a very large scale job, this is all. But it can be done, sir, and we can give you any specific period or sampling.

Senator Percy. I rather thought this wouldn't be an onerous task because I thought you would probably have to have it for budgetary consideration anyway. I thought you have to take that into account in your budget.

Mr. Lyng. We will give you a complete report * on this.

Senator Percy. Fine. Thank you very much.

As of September 15, or the closest date to that that you have available. Mr. Secretary, how many counties were actually participating in the Food Distribution Program?

Mr. Lyng. 1,051.

Senator Percy. 1,051. Now do we count a county as fully participating if it is only covering, say, 10 or 20 percent of the eligible people in that county? We had testimony yesterday that, at least, one county, Nassau County, had an 80-percent participation, which is relatively high. There is no gradation—can we have that figure broken down?

Mr. Lyng. Not in giving a simple figure as to numbers of counties that have programs. There are among these counties some that have very strong programs and some that don't make the program available even everywhere geographically within the county. I don't know what precise way we can provide percentage information on each

*A machine-run printout showing the amount of late shipments and liquidated damages for July and August 1971 has been given directly to Senator Percy's office, chart on p. 2431 is in partial explanation.

county, but we can give some graphic examples of the extremes on either end of the scale.

Senator PERCY. I think a qualitative analysis of the degree of participation would be very helpful.

Mr. LYNG. We will be happy to submit* that.

Senator PERCY. To see what patterns there actually are.

I wonder if you could put on the record for us now the chain of command within the U.S. Department of Agriculture with regard to the operation of the Food Distribution Program, the selection of the commodities to be purchased, the purchasing procedure, and the distribution of commodities to various State warehouses.

### LYNG: RESPONSIBLE FOR FOOD DISTRIBUTION

Mr. LYNG. Yes. We will submit this for the record† in chart form so that it can be more graphic. But in essence the Secretary of Agriculture, of course, is involved, but delegates main responsibility for this program to me. Two of the key agencies involved report through me to the Secretary, that is the Consumer and Marketing Service, who make the decisions as to purchase and time of purchase and commodity of purchase, and actually do the advertising for bids, and do the calculation of low bids. And then I also have responsibility for the Food and Nutrition Service which handles distribution through Mr. Hekman as administrator.

There is another agency that is involved, and that is the Agriculture Stabilization and Conservation Service, who because of their functional ability in terms of the acquisition of Government commodities under the support program and other programs of this nature have computer capability, at their procurement center in Minneapolis, and transportation expertise on the movement of the commodities, so that the actual physical delivery of the commodities, the physical procurement and delivering is handled by them. They do it more as a service agency for the Consumer and Marketing Service and the Food and Nutrition Service, than as a decisionmaker.

But we will be happy to submit a much more detailed chart.

Senator PERCY. And if we could have with that submission the actual names of the people identified with each function it would be helpful.

Mr. LYNG. Yes; we would be happy to do so.

Senator PERCY. All right, fine.

Could you describe the use of Section 32 and Section 416 funds in purchasing commodities? Are Section 32 funds being used for Section 416 purchases?

Mr. LYNG. Substantially the commodities purchased by Section 416 are those that are price supported under the price-support laws. The law states that Section 32, which is the set-aside of 30 percent of import duties, shall be used principally for non-price-supported commodities. As you know, Section 32 funds have increased very rapidly over the past couple of decades, and a larger and larger amount of them are being used as cash for grants to school lunch programs particularly.

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*See Appendix 2, p. 2432.
†See Appendix 2, p. 2433.

But of those Section 32 funds which are used for commodity purchases the vast majority are used for commodities which are not eligible for 416. There have been a relatively small amount used to purchase some dairy products which are also eligible for purchase under 416. I think that is the major commodity that we have used Section 32 for that would be eligible for 416. Is that correct?

Mr. GRANGE. Yes.

### WHAT IS USDA'S RESPONSIBILITY FOR INSPECTION?

Senator PERCY. Mr. Secretary, we have had some testimony on spoiled food and food that has deteriorated, or for one reason or another has been ruined or must be destroyed. I would like to better understand what continuing responsibility USDA has for inspecting food once it has reached a local community and is warehoused. Is there a continuing responsibility? Who initiates inspection of a local warehouse, and does USDA ever call upon the resources of FDA to help in inspecting? And then you might also comment, if there is a supply of food that has been ruined or destroyed by cold, heat, whatever it may be, is it replaced by USDA?

Mr. LYNG. Yes, the food, of course, is all made available—to answer the second question first, the food is available to people in the quantities that they need it, so that if some of it becomes damaged or unusable, of course it is replaced.

The question of inspection of the food storage and distribution facilities, this is an audit function of the Food and Nutrition Service on a regular basis, and on a less regular basis of the office of the Inspector General of the Department of Agriculture. This is done to see that the food is stored under minimum conditions, and so forth. When it is found that it is not, why, the State agency and the local agency, whoever is responsible, is immediately notified.

I think, Mr. Chairman, that I would like to take this opportunity to say that some of the testimony that was presented to the committee earlier was absoluely untrue. There is a letter that was dated September 16 from the Social Welfare Department of the county of Ventura which I would hope that the committee would include in the record, pointing out that the attention focused on Ventura County by Mr. Robert Choate in explaining several spoiled and corroded cans of orange juice and evaporated milk was totally in error. The letter points out that Mr. Choate stated that these items were for distribution to the poor and had been obtained in Ventura County. They point out that Mr. Choate had come in and asked if they had spoiled or damaged commoities and was shown some that were scheduled for destruction, and at his request was given some of the cans along with an explanation that these spoiled and damaged commodities were to be destroyed.

### NO REASON TO DISTRIBUTE SPOILED COMMODITIES

The implication—more than an implication—that the Department of Agriculture, or for that matter the government of the county of Ventura, Calif., is interested in or through just plain carelessness is putting out spoiled or damaged commodities is something that I think does a real disservice to literally thousands of dedicated people work-

ing at the State and county level as well as the Federal level, but largely at the State and county level nationwide. There is no reason for the counties to accept or to distribute spoiled or damaged commodities of any kind. And we think that it just doesn't happen.

Senator PERCY. Well, we certainly will insert this letter in the record.*

Senator PERCY. We have asked other people who have testified whether or not they have had spoiled food or poor food, poor quality food, and as you know, received quite a bit of testimony that no food has been spoiled, that it is of very good quality. We have had other testimony that said bones were found in the boned chicken and feathers also. And I presume, as we well know from the newspapers, that commercial companies have recently had a great problem with contaminated food that has had to be withdrawn from commercial shelves. This is part of a continuing vigiliant program that has been maintained to insure high quality.

### CONSTANT VIGILANCE IS NECESSARY

We just want to be awfully certain in view of the fact that the committee has received a letter from a Ventura recipient who maintained that she had been given spoiled evaporated milk. We felt it very important as part of the whole hearing to make certain that we did focus attention on this particular problem, and if it was a problem that we didn't overlook it in the least, and that we emphasized that constant vigilance is necessary. Certainly we will support and back up whatever you need from the standpoint of appropriations for adequate inspection and surveillance.

We feel that, so long as Congress has authorized this program, we want to take every reasonable step we can to insure that high quality is built into the product, to inspect it at the plant and to see that it gets to the recipient in that same way. And this is why I have been so deeply concerned about the administration of the program.

I am pleased that you have made great progress in providing additional funds for administration because the local communities, strapped as they have been, simply haven't had the resources to truck the food, to provide the personnel, or to warehouse it properly. It does no good to deliver it in refrigerated cars and to inspect it every step of the way and then to dump it in a storage warehouse like some of them I have seen in East St. Louis. They were 105°, and the meat products sat there with a big label saying do not store over 70°.

So we want to provide every bit of help we can in carrying out what I know is really the intention of the Department—maintaining continuing responsibility as far as you can—without in any way saying local communities don't have a responsibility. They certainly have. But we have an oversight responsibility that I think is important.

We will certainly put that in the record, and this is one of the reasons we wanted the Department to have the chance to hear all the testimony, to have the last say and complete the record as much as possible.

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*See Appendix 2, p. 2434.

Can you comment specifically on that aspect of my question pertaining to inspection? I did ask whether the U.S. Department of Agriculture uses the resources of FDA to help in inspecting.

## FDA Has Undefined Responsibility

Mr. Lyng. FDA has general responsibilities for the inspection of food manufacturing and handling facilities and food that moves in commerce of the United States, so that they would be involved in the firms and companies from which we buy our foods.

In addition to that, the Department insists that USDA inspectors be present and inspect the product over and above this FDA responsibility.

At the distribution level we do not, to my knowledge, work with FDA at all in terms of checking this. This type of inspection normally is not the kind of thing that FDA does because this is not the movement of foods in commerce, any more than they would inspect the local supermarkets or local grocery warehouses. In most instances these are the responsibility of local public health authorities, and we know that in many, many communities in the United States the local public health people, the county public health people do take a responsibility for the inspection of the food distribution warehouses.

The extent of our inspection of those in some detail can be given to you better by the Administrator of the Food and Nutrition Service, so I would like to turn to Mr. Hekman, if I might, just for that.

Mr. Hekman. Mr. Chairman, I have here a writeup of our field review process that outlines these field reviews that we have. It will take me a few minutes to read it, and I would be happy to submit it for the record.

Senator Percy. Do you want to summarize?

Mr. Hekman. Well, I will just read the first two paragraphs. Mr. Chairman. That may help.

**The Food and Nutrition Service food distribution field review process consists of two phases, and one of these is an administrative analysis of distributing agencies.**

The second is the Administrator—I have review of the recipient agencies.

**The Food and Nutrition Service issues an annual memorandum of instruction to the F&NS regional offices on the audit analysis of distributing agencies. The frequency of the analysis . . . of the analysis of each such distributing agency is left to the discretion of the regional administrator.**

## Number of Outlets Pose Problem

Then it goes on to outline in some detail the two types of analyses, pointing out that, of course, when we have the number of outlets we have we do have a problem. But this is part of our review process, and I would be happy to submit this in detail for the record.

Senator Percy. We will insert it in the record.*

Could you tell us whether the Food and Nutrition Service has enough money for inspection, though? Do you need more funds for this particular function?

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*See Appendix 2, p. 2434.

Mr. LYNG. I think that I would have to say that, based upon the reports that I have had, this is not a major problem, Mr. Chairman. We have a relatively few number of people involved, considering the number of outlets. But even so, I don't believe that we have the kind of program deficiencies here that would cause me to recommend any substantial increase in level.

Senator PERCY. Are you at all concerned about what does happen when the food products get to the State and local communities?

Mr. LYNG. Oh, yes. I am not so much concerned about the quality of the food in terms of storage. I am much more concerned about the outreach efforts, the certification efforts, the numbers of outlets, the accessibility of outlets, the difficulties involved in just maintaining an adequate inventory.

One of the major problems in the program is in really making the foods available. In some places they just administer it so badly that they have a very limited number of foods available, even though if they would order them on time we would be able to deliver them.

But these are the kinds of things that we are spending a lot of effort working on, trying to get the States to take some responsibility in turn in working with the counties.

Senator PERCY. In the case of the bloated orange juice cans, it was reported that a USDA field inspector in California said that a particular process in the label drying procedure of orange juice cans was not fulfilled. Does the Department provide for that particular process and specification for the packaging of orange juice?

## NOT FAMILIAR WITH PROBLEM

Mr. LYNG. I am not familiar with that. Do you know, George?

Mr. GRANGE. I didn't hear all the question. One word I missed, Mr. Chairman.

Senator PERCY. Well, the report was that a USDA field inspector in California said that a particular process in the label drying procedure of orange juice cans was not fulfilled. I wondered whether the Department provides for that particular process in its specification for the packaging of orange juice.

Mr. GRANGE. I don't know, Mr. Chairman. I would have to check.

Senator PERCY. I will give you the question in full from the record then and also the full statement that was made yesterday; so that you can provide for the record a considered answer on it.

Mr. LYNG. We will submit an answer.*

Senator PERCY. How many commodity counties in the Nation have applied to move to food stamps?

Mr. LYNG. It was something over 150, I believe, the last I heard.

Senator PERCY. Is it the intention of the Department to shift them over on their request?

Mr. LYNG. We have substantially had a freeze on that since a year ago last July, Mr. Chairman, based upon budgetary limitations. We did approve some 30, 31 counties, I believe in May or June of this year. This was done because we had had a number of counties that had previously been approved who had subsequently decided that they would

*See Appendix 2, p. 2435.

prefer to stay with commodities; 192 are the currently operated food distribution counties that have applied and have either been designated or—we have 19 counties that we have designated for food stamps that have not yet implemented the program, and 173 that have requested them, that the designation is pending. We have no immediate plans to designate any of those counties.

Senator PERCY. What is the long-range outlook?

Mr. LYNG. One of the reasons, in addition to the budgetary considerations that we were not designating new food stamp counties was the progress of the family assistance legislation, and the administration felt that with family assistance cashing out food stamps, we should not implement the program within food stamp counties.

Senator PERCY. In view of the fact we are all on notice that that program is being delayed and is being moved out of the budget, wouldn't it be logical to reassess the Department's policy in this respect, now? I can understand why you would be reluctant to move if something else was going to take its place, but now that you know it is not in the immediate future, wouldn't it be wise to take another look at this?

Mr. LYNG. Yes, we have done so, and we have been meeting and discussing this with people in the administration, other affected agencies, the Department of Health, Education, and Welfare, the Office of Management and Budget. But we have no immediate plans to designate any of these counties.

Senator PERCY. Do you know what the budgetary requirement would be to shift those that have requested the transfer?

Mr. LYNG. Roughly about $100 million annually.

Senator PERCY. On page 5 of your testimony, Mr. Secretary, you mentioned that lower eligibility ranges usually prefer food stamps. Is this not because a zero income family gets $106 a month from food stamps but only a fraction of that through direct distribution?

Mr. LYNG. Yes.

Senator PERCY. Wouldn't that be the reason that they are——

### FOOD STAMPS BUY PREFERRED FOODS

Mr. LYNG. That is one of the reasons, and, of course, the zero income family pays very little for food stamps, will pay nothing as the new regulations are implemented.

The other reason is that they have much more flexibility. They don't have to go to a specific outlet. They have a great deal more freedom of choice as to what they can buy, and I think—in the value of the food commodity I don't think there is that great a difference. It is not that they get a vast quantity more of food, but it is more attractive, more fully processed, it is the kind of food that most of us prefer to have, a variation in diet, a number of reasons.

Senator PERCY. Existing law directs the Secretary to establish "special standards of eligibility and allotment schedules for Puerto Rico." Has this been done?

Mr. LYNG. On food stamps? No, we have not done that as yet.

Senator PERCY. I wonder why, in view of the fact that the law is so specific in this regard.

## No Food Stamps for Puerto Rico

Mr. Lyng. We have announced the schedule for Alaska and Hawaii. We have not for Puerto Rico. The reason we have not for Puerto Rico, we do not have a food stamp program in Puerto Rico and we don't contemplate putting a food stamp program into Puerto Rico.

Senator Percy. We had testimony yesterday from a representative from Puerto Rico. Why is Puerto Rico not treated like a State in terms of the administrative expense money now?

Mr. Lyng. Well, actually the program operates a great deal differently. I think I would let Mr. Castillo speak to that, who has spent some time studying the Food Distribution Program in Puerto Rico.

Mr. Castillo. When the funds were generated first, I think in 1967, to assist in the startup of food programs, Puerto Rico at that time had an ongoing food program, so in light of the rationale for which the funds were originally created they were not eligible. Later on as more and more expansion was achieved in the food programs it was determined to give Puerto Rico direct assistance, although the concept was different, as I say, from that that generated the funds in the first place.

In fiscal 1971 they received an allocation of just over $600,000, and for fiscal 1972, conscious of the fact that their problems are increasing, that amount of money was just about doubled, to $1.2 million for this current year. That money has already been made available to the Commonwealth.

Senator Percy. As direct Federal operation in county programs has decreased, why have budget requests for State administrative moneys not increased?

Mr. Lyng. I am afraid I can't answer that question. Can you, Mr. Hekman?

Mr. Hekman. The operating funds, as you know, Mr. Chairman, slightly over $19—I couldn't answer.

Mr. Lyng. I just have to give that some thought.

Senator Percy. Perhaps you could take a look at that.

Mr. Lyng. Yes; I would be happy to submit a written answer.*

Senator Percy. It would have seemed as one moved in that direction that the other budget would have to increase.

Mr. Lyng. Where we have done this in recent years we have put into operating funds on a more or less temporary basis, and we felt that this is a local responsibility, and in many instances the problem of local government is that their budget is fixed, it was fixed in the previous year, et cetera. And so we give them an opportunity to get it into their budget, et cetera. When they do we don't feel simply because they have done so that we should give that much more money to the program.

Mr. Hekman. Another consideration might be, Mr. Chairman, that a few years ago there was no money, and as our charts show, the number of counties participating has not increased. In other words, there has been more activity within the county, but the counties haven't increased, so that actually the amount per county has gone up very, very substantially in the last few years. Now it hasn't changed from last year to this year, but we will be happy to submit those details.

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*See Appendix 2, p. 2435.

## Should Be No Conflict Feeding People

Senator Percy. In another area, I am concerned about a conflict between the Congress and executive branch. Yet, I have to go back to what the President said his objective is, to close the hunger gap. Having talked to him about it, I know how very strongly he feels about the very high priority this should have. We debated on the floor last year at some considerable length about the wisdom of providing for dual Food Stamp and Food Distribution Programs in areas where local government actually would like to have it. There have been areas where local governments have decided they want a dual program, it is for their needs, they need both programs.

What has been the position of the Department in this? If it is as I suspect, refusal to do this, I ask the question why—especially in light of the existing law, the debate on it, and the national goal.

Mr. Lyng. Well, we have had only one request for this since the new regulations went into effect, Mr. Chairman, and this was in the State of Washington, and it has become a matter of considerable controversy. We in the Department have analyzed the problem and the cost. The original request from the State of Washington ignored the provisions of the law which prohibit the Department from giving commodities and food stamps to the same families.

I think we have to go back and look at the situation in the State of Washington, which is unique. We have had a very successful food stamp program there, with Federal bonus expenditures going up in a 3-year period from $6 million, to $18 million, to $42 million through the last fiscal year, with a very serious economic recession particularly in the King County area, the Seattle area, due to the defense industry, the aerospace cutbacks, and with a different kind of a poor family there, a family that is not poor by economic standards in most parts of the United States, but a family that is poor because they have been cut off from a rather substantial income and are plagued with life insurance payments, house payments, and other things which make it very difficult for them to work out any kind of a budget, and therefore have a real adjustment problem.

## Decision—No Dual Programs

So there sprung up in Seattle particularly an organization called Neighbors in Need that distributed food to whoever came without any questions asked about eligibility criteria or anything else. What they really asked us to do was to permit this type of an organization to distribute in that way surplus Government commodities. We pointed out that this could not be done. This became quite an issue.

Following that, the Governor requested that we follow the law, the new regulation, and permit a simultaneous distribution of commodities at the same time as food stamps and he would see to it that the same families did not get each.

As we analyzed that, the cost of that program in that State would be about $5 million of State funds. The Governor admitted that he didn't have the funds, but he told me on the phone that he would somehow get involved, he would have the National Guard or someone

distribute the commodities, and that later on they would get the funds.

Our studies then showed that if they would use the $5 million that we estimated it would cost in assisting the needy families with the purchases of food stamps that it would actually go further than the commodities. We believe that the inefficiencies of having a dual system would make it extremely costly to the State as well as to the Federal Government and would present some awesome administrative difficulties.

The Food Stamp Program, we believe, is doing its intended job there in terms of providing food resource for people with little or no income. It is not solving the problem of the income gap for a family who has great responsibilities and a shortage of income to meet them. But we don't believe that the food programs of the Department of Agriculture are designed to meet that income gap.

### Believes No Need Exists

We will be perfectly willing to permit simultaneous distribution of these commodities and food stamps wherever there seems to be to us a practical, sensible reason for so doing. But we don't think that situation exists or a good case has been made for it in the one application that we have had so far.

Senator Percy. Well, could I respectfully disagree with you? I am not a Senator from the State of Washington, but I have been awfully active in trying to cut down defense spending where I think it is not needed, to cut out unnecessary airplanes like the SST that I think we need like we need a hole in the head. And the will of the Congress has worked. We have cut down billions of dollars of contracts that have affected that area of the country. And we have all pledged to do everything we conceivably can to help that area rehabilitate itself and adjust, to provide work for people on things this Nation really needs rather than things that we don't need. And when the Governor tells me that he has got administrative money, when the State has made the request, when the unemployment in that State is higher than, I think, any area in the country, it is just unbelievable the hardship that people are undergoing out there now. And when the law that authorizes the program, and the President says we are going to take care of our people and close the hunger gap, I just can't, for the life of me, see. Especially, once we have one State out of 50, why we cannot try something out under conditions of great and, demonstrated need. I can't see why the Department can't find a way to go ahead and fulfill the provisions of the law, fulfill the request of the Governor; and, I hope, carry out the mandate of the President of the United States when he says we are not only going to close the hunger gap, but we are going to do something specifically for people in these areas where we have, by national policy, taken away their livelihood and their employment and put them in a condition of poverty without adequate food.

### Every Responsible Official Certifies Need

Every responsible official out there certifies there is a great need for both programs at this time in Washington. They would like to try it out.

Now it is not my State. Senator Magnuson or Senator Jackson maybe should argue the case, or perhaps better yet, the Governor himself. But having a high regard for that Governor, I feel that I must at least press his case forward. And again I ask the Department to take a good look at this and see whether or not this isn't an excellent time to try this out and see whether it won't work and fill a need that is perfectly obvious to all of us.

Mr. LYNG. Mr. Chairman, I have met with Senator Magnuson, with the Washington delegation, I have met with the county executive, and the country administrator of King County. I have discussed this at length with the Governor. I have sent our regional office people into Seattle to investigate this. Following this, at the request of the King County people, I sent my Deputy Assistant Secretary to Seattle a couple of weeks ago along with people from our western regional office. After all of this study we are satisfied that the Food Stamp Program is fully capable of solving the hunger problems, the need for food of people in the Seattle area.*

If they have no income they get $106 worth of food for very little. As they implement the new regulation it will be slightly more. As their income goes up, of course, the cost of food is more. But we have seen this tremendous gain in Federal expenditures there, and we are absolutely convinced that the moving of commodities into this kind of a situation would lead to almost catastrophic administrative nightmares for both Federal and State people. And we feel we have a strong obligation to do this.

This provision in the law was permissive on the part of the Congress. It was based upon the judgment of the Secretary of Agriculture. It says the Secretary may do this. And we interpret this as a congressional mandate that the Secretary will use his best administrative judgment in determining where this type of program should be used. And this is the basis for our decision. It is not one that was made casually or heartlessly.

## USDA FINDS NO EVIDENCE OF NEED

If we felt for one moment that the Food Stamp Program was not meeting the needs in this area we would be happy to try to make some adjustment. But we have been unable to discover this with a series of visits in both directions. No hard evidence has been presented to us in this direction.

Senator PERCY. I would like to indicate that Senator Magnuson has asked that this program be implemented. Both he and the Governor are willing to comply with any regulation set up by USDA. I certainly appreciate the fact that you are studying it, have sent people out there, and I would be most interested in having copies of whatever reports they bring back to see what kind of problems are involved and what we can do to solve those problems. Again if I can offer any assistance, I am certainly happy to do so.

Forty percent of the people eligible for food stamps are not now in the program. And we would like to try to find out why. These are the

* See "Seattle: Unemployment, the New Poor, and Hunger," committee print, U.S. Senate Select Committee on Nutrition and Human Needs, November 1971. Reprint with Supplement, December 1971.

people we want to reach out to and try to cover if we can. I simply can't believe, despite all our tight budgets and budget problems, that this item which ought to have such high priority, can't be covered. If we do not fulfill the nutritional needs of people, particularly young children, we are just creating welfare problems for the future that might be permanent ones. A small, modest investment, sometimes a matter of just a few hundred dollars worth of food for a child, can stave off deterioration of his body and his mind, which as we all know, can cause a potentially productive person to be an unproductive person. We must try to find every way we possibly can to close that gap.

I would like to ask about migrant problems. What is the Department of Agriculture doing in the new group in their Food Distribution Division to deal with the problems of access to food for migrants?

Mr. LYNG. I think I will let Mr. Hekman answer that. Are you familiar with that?

### VERY IMPORTANT TO GET PROGRAM TO MIGRANTS

Mr. HEKMAN. Yes; I would be happy to try to answer it, and, perhaps, Mr. Castillo would give further details. We do have this group that is dealing with the migrants. We feel one of the things that is very important is that, first of all, we get a family feeding program in all of the areas from which the migrants come, and a great deal has been done in that. To the best of my knowledge, Mr. Chairman, every one of those counties now has a family feeding program.

There is no denying the fact that once the migrants go on stream that the logistics of it does present a problem. But in both this program and the Food Stamp Program a great deal of progress has been made, particularly in this program. The accessibility of food to the people—we have made it as simple as we possibly can in terms of setting up offices where they are certified. Some feeding has been done in group situations such as schools on the migrant stream. And perhaps at that point Mr. Castillo can add a few items.

Mr. CASTILLO. One thing that we are doing, Mr. Chairman, is to take steps to try to identify the actual paths that are taken by migrant workers, with a view to coming to a determination as to whether we can actually forecast where they might be at any particular time during the season, the agricultural season, and, if the existing program is not properly serving these people because of their peculiarly mobile status, to perhaps look into the possibility—this may be some distance down the road—but some possibility of establishing a feeding program that would, to a degree, match their mobility. We don't see it as any kind of a complete concept right now, but that is the idea—if the existing program does not adequately serve their needs, to perhaps generate a program that would, where there is some built-in mobility.

Mr. HEKMAN. I might add, Mr. Chairman, that of the two programs the food stamp program is the easier one to use with the migrant population, and our regulations specify new steps there where the eligibility would hold from county to county. And recently, for example, in the State of Ohio all of the county people were called into Columbus and this program was outlined to them, and a great deal was one in that State, as an example, in the region of the migrants. This is principally with stamps.

Senator PERCY. In the area of ethnic groups, we have had testimony, that there are complaints that not enough consideration is given to ethnic tastes. I feel it is important to provide food as close to the kind of food that people are used to having. Can some consideration be given, for instance, to placing a high priority on providing rice to Puerto Rico—since it is such an important element in their food diet? This would mean that it wouldn't run out of rice on occasion, even if other parts of the country did run out—as long as you had potatoes, which is their staple there. Can very high priority be given to providing certain foods to those areas which have an ethnic preference for them?

### PERHAPS OUR FAULT

Mr. LYNG. Yes; we would certainly agree with that. And as a matter of fact, for anyone to run out of rice today indicates that somebody was at fault. Perhaps it was ours. But we will certainly take a look at that, because there is an ample supply of rice. It is one of our surplus problems in this country, and there is no reason we should run out.

We have made quite a few changes in terms of ethnically acceptable foods. We are now trying to provide pinto beans to the Southwest where the Mexican American population prefer these. We have revised the kinds and texture of flour that we provide to the Navajos to get the kind that they like. And we are doing as much of this as we possibly can consistent with the fact that we are trying to present and offer pretty much staple foods. We can only go so far, of course, in this, but we think we have made some progress.

Senator PERCY. In looking at the packages over here, I have not been able to find contractors' names on them. Wouldn't it be a good idea to have the identity of the manufacturer or processor on the package so that (*a*) he would feel that his trade name, his prestige, is behind the can or package; and (*b*) the recipients would know who the manufacturer was. It might be some trade name that they have confidence in, or the name of a company that has a lot of goodwill built into it. And that might just carry forward right on to the package, serving a dual purpose. Is there any reason the contractor's name is not on the can?

Mr. LYNG. Yes; we prohibit it, and perhaps Mr. Grange could explain our reasons for that.

Mr. GRANGE. Yes. Mr. Chairman, we have considered exactly the same question that you raise, and we have come to the opposite conclusion, that it would do more harm than good. And we have checked this with people on the outside, so that this was not just our own thinking in this regard.

### USDA PROUD OF THEIR QUALITY

We think that we have a very high quality product. We think we have a brand or an emblem that identifies our food. In the grocery store today a very high percentage of the food does not show the packer, it shows the distributor's name, which is what is required by law, either one or the other. So we are in fact in compliance with regular commercial practices.

Senator PERCY. You are building your own trademark and you stand behind it?

Mr. GRANGE. Yes, sir; and we are the ones that are responsible for it. The statement made here earlier before the committee that we are not following the Food and Drug regulations insofar as labeling is concerned is erroneous, Mr. Chairman. We are, in fact, following them, and we are going beyond the minimum requirements of the regulation.

Another factor that influenced us, Mr. Chairman, is that we do buy from nationally known companies that have an established trademark. I won't try to name them here. You probably can think of some yourself. I will be glad to if you want to question me. But we believe there would be a certain reluctance on their part of dissipating their established brands in which they are investing millions of dollars, of course, by also showing it in conjunction with the USDA identification.

### PREFER TO STAND BEHIND LABEL

So since we don't see anything much to be gained, if there is a complaint they should come to the Department of Agriculture, we are the ones to straighten it out. There is nothing to be gained by trying to go directly back to the packer. We have concluded, therefore, Mr. Chairman, that it would be preferable not to have the name of the packer on the product.

Mr. LYNG. I think, too, that we can see that we don't want to distribute typical brand products in the same package that you see in the grocery store because that would severely complicate the enforcement of fraud and theft or improper uses. This is one of the reasons for having a special label much the way the military purchases theirs.

Senator PERCY. Do you deal with companies that deal only in USDA contracts?

Mr. LYNG. We have one or two that I know of. We have been doing some exclusive business with some minority firms particularly, and we won't do that on a permanent basis. But we do feel some justification for doing it on a short-term basis in an effort to, perhaps, help them develop a market. We think they will have to find regular commercial markets to survive.

Substantially, though, I think that our products come from people who are geared up to produce them for the commercial market, and we get some of their production.

Senator PERCY. I have noticed that you deal in a great range of juices. I have seen apple sauce. Do you have other fruits available?

Mr. LYNG. Fruits?

Senator PERCY. Fruit.

Mr. LYNG. Oh, yes, Mr. Chairman. We have apricots, peaches, prunes.

Senator PERCY. How readily available are they? If we sent a wire to every State today and asked them for an inventory of their fruits, how much would we have available now? I am wondering about the person who lives in a county that has a Commodity Food Program, and, month after month after month, he gets all the prune juice he wants maybe, but he can't have a peach, can't have a pear. By accident of birth and the fact that he is out of work or destitute, that's it.

Mr. LYNG. We do not distribute fresh fruits or vegetables.

Senator PERCY. No; not fresh fruit. I am talking about canned fruit.

### DISMAYED TO LEARN OF SHORTAGE

Mr. LYNG. There should be an ample supply of canned fruits everywhere, and for a number of reasons. But one reason is that they are in tremendous oversupply in this country today, and I would be dismayed to learn that there are areas that would have persistent shortages of these. It would certainly be a logistical difficulty, not a source. I don't believe we have any supply problem on that, do we, George?

Mr. GRANGE. Well, our supply plan this past year has been to provide a juice monthly, a fruit juice, either orange juice or apple juice, as well as tomato juice. We have not consistently supplied a fruit in addition to the juice. We have consistently supplied a canned vegetable, snap beans, tomatoes, what have you, and a juice. But the supply of the canned fruit, Mr. Chairman, has been dependent upon an actual heavy surplus situation existing.

Mr. LYNG. Well, in addition to canned fruits we provide lots of dried fruits. We anticipate our fiscal 1972 needs as 44.8 million pounds of dried fruits. So we would have a regular distribution of dried fruits, Mr. Grange?

Mr. GRANGE. Yes.

Mr. LYNG. A regular distribution of juice and dried fruits and apparently a sporadic distribution of canned foods, Mr. Chairman—and I stand corrected, in terms of that the latter are constantly available.

### CONCERN IS FOR SUPPLIER, NOT CONSUMER

Senator PERCY. In view of the fact that we are not dealing in fresh meats, we are not dealing in fresh fruits, we are not dealing in fresh vegetables, yet, we are trying to figure out a way to help impoverished people fill their stomachs, don't we come to a point where we have to say that the supplier, the guy producing an excess, is not our prime worry; that our prime concern is hungry people. To me it looks like the taxpayers' money is being used solely for that producer in this program. Whatever he wants to produce or has produced, we take off his hands. I would hope that by now we would have reached the point where the conscience of the country is such that we would be willing to stock and buy and pay for the kinds of food necessary to sustain a low-income family if this is the only resource available to them. And I simply can't account for the fact that we don't have fruits available, at least canned fruits that have some substance behind them.

If I were a commodity recipient, I would get pretty tired of feeding my children nothing but juice and saying "well, that is going to be your substitute," or dried fruit rather than at least canned fruit if they can't have fresh fruits and vegetables.

Now I realize you are limited by law. But what I am saying is that because you have a moral responsibility in fulfilling your function, isn't there some way we can work together to see that the laws are changed to authorize you in fact to direct you, to provide a more balanced diet for families than the diets we happen to have available through surplus commodities as they come in and out of supply?

SURPLUS FOODS ARE SECONDARY CONSIDERATION

Mr. LYNG. Mr. Chairman, I had hoped that I had made that clear in my testimony that that is not the case. The primary priority in our food programs today is precisely what you are asking for, the provision of a balanced nutritional diet. Only secondarily do we consider the foods that are available in surplus. But it is not an illogical thing to combine both of those because as long as we are buying nutritious foods we might as well be buying those that are as much in surplus as possible.

The reason that I was confused about the fruit is because I come, as you perhaps know, from the central valley of California, which is the heart of the fruit supply of the United States, and virtually everything that we produce there is in surplus. So I know the producers there, and I am an agriculturalist, and I know the producers would be delighted to have us buy it.

The reason we are not buying as much fruit this year as I thought we were going to, that we have available, was because our submission to the Congress for Section 32 funds which are used for this was reduced in the amount of $45 million by the Congress.

ASSUMING AVAILABILITY, NUTRITIONAL REQUIREMENTS PROVIDED

Now the diet that we provide, as I testified, offers 100 percent of the nutritional requirements, assuming that it is available in each county location; and while we may not always have canned fruits available, we always have dried fruits and fruit juices as well as canned vegetables as a part of this program, and we will buy those regardless of whether they are in surplus or they are not.

Senator PERCY. I would like to ask Mr. Choate, in view of the fact that you served as a consultant to this committee for a number of years and your name has been brought into the testimony this morning, perhaps you could come up to the table—and, Mr. Secretary, you could stay right there—you could take Mr. Hekman's place—if there are any comments, Mr. Choate, you would like to make at this time, fine. We are going to try to close this off just as quickly as we can for lunch. But I would also like to yield to my distinguished colleagues who have joined us, Senator Cook and Senator Schweiker, and then ask the staff if they have any last questions.

Mr. Choate, you go right ahead and make whatever statement you like. The Secretary can reply to you, and then we can go right on with whatever questions Senator Cook and Senator Schweiker have.

Mr. CHOATE. I will give a summary of the observations I have heard from the last three witnesses today on the analysis of the direct distribution program.

I would start out by mentioning that in my testimony on the opening day I was quite complimentary to Ventura County, Calif. They did seem to be running one of the better programs, and they were helpful enough to provide this committee with the sample cans that had corroded, bulged, or burst.

I do want to put into the record, if I may, the fact that they, too, wrote to me asking for verification of what I found in Ventura, that

I have replied to them and to the other addressees of their original letter.

### Unsatisfactory Answer From USDA

I understand from this morning's comments that a preliminary USDA examination excuses the corroded cans of orange juice on a bad labeling procedure. I do not consider this to be a satisfactory answer. I don't think cans bulge because of faulty labeling procedures. And it was bulged and burst cans that I showed before this committee last week.

I also believe that it is present food management practice to hold in storage foods that have been produced so that if there is to be any leakage or bulging it may occur in the producer's warehouse and not out in the marketplace. We do believe at this point that the orange juice we noticed in four different warehouses of the Southwest had not been held in storage, and we do have reason to believe that there was no contract command of this by USDA even though it might be considered good ordering practices.

The testimony that has been given since the opening day has verified that there are many examples of unsatisfactory service. Yet, in listening to Secretary Lyng's responses this morning we do not hear any explanation of how the ordering mechanism can be better organized so that those guesstimates which are made 90 days in advance before the food is to be delivered to the local warehouse can enable the local warehouse manager, who is going to be the man accused by the poor when the food runs out—so that that local warehouse manager can be notified the food is indeed en route and that it is coming from a certain location, guaranteed to be delivered by a certain time.

### Testimony Has Not Provided Answers

We have heard no responses to the suspicion that we all now hold that the delinquent provisions, the liquidated damages provisions of USDA ordering for the direct distribution program are enforced.

We also have not heard any real statement that USDA seeks an information feedback system whereby the poor themselves can alert USDA when something is going wrong.

We did hear testimony this morning that individual food companies might not want to be notified when something was going wrong with the food supply, but USDA would. I think it imperative that the poor themselves be given some information mechanism by which they can alert USDA when food is running out or food is in suspect condition.

We have not heard many suggestions as to how the can size or bag size can be improved.

### Interdepartmental Answers Vary

The letter sent to this committee by the Department of Agriculture admitted that it is much more likely that the poor receive 54 percent of calorie needs, a fraction of their nutrient needs, and not 100 percent, as I thought Secretary Lyng just stated. USDA's printed data indicates that the calorie needs are around 80 percent,

but the Department's letter to this committee indicates it is closer to 54 percent. Why is it that this food rich country cannot give a 100-percent calorie needs and a 100-percent nutrient needs to the poor, particularly to zero income poor who cannot supplement the commodity package any other place?

We have not heard any response as to how USDA would more highly stress the bonus amounts of food which counties can give out to the poor if they are first approved by USDA.

We have not heard much about the standards of excellence that are supposed to be in every State level and implemented at every county level.

We have not heard any response to the curious lien laws that in at least 20 States of the Union mean that a family seeking family assistance or welfare assistance must in effect give a deed to their house, to their personal belongings, so that the county can recover for any capital assets and so that a deceased welfare recipient cannot pass on their property to their descendents.

I do note that Secretary Lyng has just mentioned that they are ordering, I believe, in the next year 44-million pounds of dried food. That is 1 pound of dried food per recipient per month.

I do wonder about USDA's not putting on their own cans of meat and poultry the same information that they demand of the retail meat and poultry producers.

I do wonder why USDA does not make mention of its use of mass media in advertising the existence and worth of this program.

Since USDA apparently has spent a good deal of time in Washington and Seattle lately I wonder why we hear no recognition of the fact that Washington State, Oregon, and California have probably the best interstate compact for providing welfare benefits to those who travel in interstate pursuit of employment, with the originating State eventually to be billed for the welfare cost, but the State in which the party finds itself paying immediate welfare check.

We also did not hear any response that would indicate USDA is interested in purchasing foods from Puerto Rico for Puerto Rico. If we are interested in improving the economy of that Commonwealth it would seem imperative that we lower their shipping cost and increase their employment opportunities by buying for this program direct from Puerto Rico.

### Program, Seemingly, Used as Politics

In short, Mr. Chairman, I think we are on the right track in these hearings. We seem to have a difference of philosophy. Despite statements made this morning that the prime focus of this program is the nutrient needs of the poor, one suspects that this administration, which I helped get into this 2 years ago, is almost marking time until the family assistance program is decided by this Congress. And it seems incredible, if it is true, that we are letting hungry people remain hungry in the United States, perhaps, to help buildup the pressure to get the Family Assistance Program passed in Congress.

It would seem to me that if we do have foods in surplus supply, and we do have apricots in surplus supply and peaches in central Cali-

fornia, that we can get them out to the poor to whom USDA literature says it feeds.

I would hope that the review of this committee in looking at this program over the last 4 hearing days would stimulate USDA to announce a series of reforms in the direct distribution program akin to the reforms they have announced in the School Lunch Program, and I would hope the committee remains on top of this issue.

It is rather shocking that no one in this room can remember when the direct distribution program was last reviewed by this Congress.

Thank you, Mr. Chairman.

Senator PERCY. Thank you.

Senator Cook?

Senator COOK. Thank you, Mr. Chairman. I apologize for not being here all morning. I have been in another committee, and you know what that situation is.

Mr. Secretary, 2 years ago we felt that it was essential to find a new means by which food stamps would be distributed. We went into the situation food stamps had to go to the bank every night and get locked up, et cetera. It seemed this was a rather ridiculous method when we had the entire U.S. post office system and they didn't take all their stamps out of the post office every night and take them over to the bank and come back and get them out of the safe the next morning.

It is my understanding you started the food stamp distribution from the post office facilities in King County, Wash., is that true?

Mr. LYNG. I understand that we have worked out an arrangement with the Postal Service to do an experimental distribution there; yes.

Senator COOK. Is there any agreement between USDA and the post office on periodic reports to USDA relative to how this plan is working out?

Mr. LYNG. Well, I am not sure that we formalized that. But we have been working very closely with them in an effort to get them to do this nationwide, so we will be watching it very closely, Senator.

Senator COOK. I am wondering if any reports are made to the USDA as to the operation of this facility whether a condensation of those reports could be made to this committee so we could be fully aware as to how this distribution is working out, because it seems to me with all the post offices throughout the United States and the fact that so many of them are rurally oriented, that it would provide a tremendous means by which people could receive food stamps without having to travel tremendous distances, as you well know, to county seats. And in the eastern part of my State to get to the county seat you have to go out of the county and back into the county, which becomes a tremendous burden. And I am wondering whether you could keep the committee aware of how this is working out and whether you intend to move in the direction of utilizing this procedure all over the country?

Mr. LYNG. Yes, we will be happy to supply that information* to the committee.

Senator COOK. Now I apologize for not being here again, and I understand this question has been asked, but I would like to pursue it just a little further. Why isn't the name of the canner put on your respective products?

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*See Appendix 2, p. 2435.

### USDA Is the Responsible Agency

Mr. Lyng. Well, we did explain that. Mr. Grange explained that we prohibit it, first of all, and the reason we prohibit it is because we believe that the USDA is the responsible agency for this product. We believe that we can't allow our commodity foods to be used for advertising brand names of people, and we want them to be a product that has a unique characteristic.

Senator Cook. But why don't you do this for your own benefit? For instance, I assume that you know the name of the canner by the numbers on the top, I guess.

Mr. Lyng. Yes, we know the packer.

Senator Cook. But let me ask you, if there are a million cans out and somebody in one part of the country puts up chopped meat in the same can somebody in the other—the first thing that comes off is the top with the number on it, it gets thrown away. So how do you know? Suppose you have a series of real bad products put out and you have—let's say you have botulism. As soon as the top of that can goes in the garbage can, gets picked up, it is gone; there is no other identification on that can as to who made it. And if there is, I can't see it.

Mr. Lyng. This, Mr. Chairman and Senator Cook, follows Food and Drug Administration requirements and is quite similar, almost identical to most of the food products that you find in the grocery stores today.

Senator Cook. But I might suggest to you that the can that I have at home has somebody's name on it because it is their product.

Mr. Lyng. It has the name of the store if it is called a private label. It doesn't have the name of the manufacturer, it has the name of the distributor; or it can have the name of a manufacturer and a distributor, but——

### How Is Canner Held Responsible?

Senator Cook. The point I am trying to make, Mr. Secretary, is that there is somebody that I can hold responsible. If you have 10 in the country that are canning this same thing and the top is gone who do you hold responsible; all 10?

Mr. Lyng. We have, of course, records of the distribution of these products, and it is a very similar—we have been involved, of course, in recall on a number of commercially canned products, and it is a similar thing.

Mr. Grange, could you elaborate on that?

Mr. Grange. Well, you have covered it, Mr. Lyng, but just let me add this. We know, of course, where we ship each lot in the United States. If there is a question we know, as we know whose evaporated milk it was that Mr. Choate saw and whose orange juice it was, et cetera, et cetera.

In connection with the identification of the packing, Senator Cook, if you will check the grocery store you will find three-quarters of all the cans in there say "packed for so and so" or "distributed by." It does not say who did the packing. Now there will be on the lid of the can in all probability an identification code such as is on that lid that would tell you who the packer was, so once that lid is cut off and thrown away there would be no further identification as to the actual

packer. And as Mr. Lyng has said, we are the distributor in the same manner as A. & P. or Del Monte or Green Giant or Safeway or anybody else that uses their private brands are the distributor. And if there is any identification to be made with the product we really believe, and have thought this through, we think, as carefully and thoroughly as we can, discussed it both inside and outside the Department—that we are much better off having this identified as a USDA product rather than having dozens and dozens of names on the can, something that would mean something to many people, to others, of course, would be meaningless to the average consumer.

Senator Cook. How many canners do you have in the country, for instance, that would can this chopped meat?

Mr. Lyng. Probably in the area of 15 or 20.

Senator Cook. So if I took this top off here you wouldn't have the slightest idea who canned that particular can; would you? No way in the world for you to know?

Mr. Lyng. I don't think on that individual can we would.

Senator Cook. Well, that's where I think really and truly you are not looking after your own responsibility. I am talking about for you to be able to lay the blame to a particular cannery if they really put out a consistently bad product.

Now, you know, we live in a mobile society, and I hate to tell you, but the rural poor move quite frequently, too. They could pick up these cans and put them in their car when they move. They can go across the State line, and all of a sudden you can be blaming really the wrong canner of a bad product purely and simply because of a mobile society. You have no way of knowing.

Mr. Lyng. If I understand correctly, Senator Cook, what you are suggesting is not that we just put the name of the supplier, but also some sort of coded information of where that particular lot was packed.

### Once Top Cut Off . . . What?

Senator Cook. I must suggest to you that you would be a lot better off putting the code on the side of the can than the top. I know this poses quite a problem, but at least somebody could open up the wrong end and you could be in the same shape. But it seems to me for you yourself, for the Department itself not to be able to know once that top is off that can other than by region of the United States that really I think you have taken a serious assumption of liability, and not only that, but assuming to blame a particular canner for putting out a bad product when, in fact, that canner may not be the one responsible at all.

Mr. Grange. We have had no problem of identification as far as I know, Senator. I can't recall an instance where we have had a problem in identifying a packer of an individual lot.

If we did, Senator Cook—if we should have such a problem, then personnally I would concur with you that we should have the identification also on the body in this case of the can as well as on the lid.

Senator Cook. I think, frankly, it is for your own protection.

Mr. Grange. But we have not, sir, that I recall, had any problem in that regard.

Senator Percy. Senator Cook, we are going to have a problem of protecting our lunch over here.

Senator Cook. I am not going to pursue it.

Senator Percy. We prepared this food under the best supervision we could get, and I want to give priority to the chef when he is ready to have us eat.

Senator Cook. May I ask one other thing?

Senator Percy. Yes; go right ahead.

### Minimum Standards for Peanut Butter

Senator Cook. The other day the gentleman from Pillsbury who testified before our committee—I asked him specifically why his company no longer bid lots for peanut butter, and he didn't specifically say that his company didn't, but he made it very clear that major manufacturers of peanut butter in the United States are overlooking bidding Federal contracts for peanut butter because the standards established by the Department are not the standards that they want to manufacture peanut butter, and I think you will find that in the record.

Mr. Lyng. Absolutely untrue, Senator. First of all, the standards for peanut butter are established by the Food and Drug Administration. There is a minimum standard for peanut butter. The quality standards that we purchase are very high, and we do receive bids from the major manufacturers of peanut butter.

Senator Cook. I think you should check his testimony.

Mr. Lyng. We will do that. We have talked about this with CPC International, manufacturers of Skippy, and with other firms informally, and they tell me that sometimes the reason they aren't particularly interested is we are a bit too fussy. But we will certainly take a look at that.

Senator Cook. I would like to take a look at it from that aspect, too.

Mr. Lyng. Mr. Chairman, Mr. Choate in his windup comments pointed out a large number of what he considered serious omissions in our testimony, things that he didn't hear. If the chairman would permit it, we would be delighted to try in writing to answer as many of those as we can. Obviously I can't do it now. But his statement suggested that the reason that it was not in our testimony is because there was something wrong with these things, and in many of those cases it just isn't the case. I would like to have an opportunity to clarify the record.

### Opportunity To Respond

Senator Percy. If there are any specific points you would like to reply to right now, you certainly can. Without objection, we will keep the record open* so your full reply can be incorporated in the record.†

Senator Schweiker.

Senator Schweiker. I have no questions. I yield in the interest of lunch.

Senator Percy. Our able staff director has a question.

Mr. Schlossberg. Mr. Secretary, on the Seattle situation I just want to try and clarify in my own mind, does the Department agree that

*Information received Nov. 19, 1971.
†See Appendix 2, p. 2436.

there is serious unemployment and consequently hungry people in Seattle, in the State of Washington?

Mr. LYNG. We obviously know that there is serious unemployment, and there is a very serious income gap. Welfare payments have been reduced. People have commitments, and so forth. We do not understand with the Food Stamp Program how there can be serious hunger, because all people are eligible for food stamps based upon their income. If they have no income they get stamps at virtually little or no cost. So that what we believe there is, there is a very major income gap. We think people are trying to solve that income gap by coming to the USDA for the food program.

We are not at all opposed—we believe there should be something done to assist those people in their problem of an income gap. We simply don't think it should be done through food programs which we think are adequate for the food needs of those people.

Mr. SCHLOSSBERG. I thought you had said that if the State were to take $5 million that it said it could come up with for commodities and put that toward assisting people in buying the food stamps that that would in a sense help solve the problem.

Mr. LYNG. We think it would substantially go a lot farther than it would to spend $5 million in administrative expense. Now the $5 million is our figure, the State didn't give us that figure. I don't want to be misunderstood on that. We believe that that amount of money used to assist those people who can't afford to pay the cost of food stamps for one reason or another, on a temporary basis particularly, could go a long way toward this without incurring what becomes more taxpayer expense.

Mr. SCHLOSSBERG. Assuming that is so, the State does not have the $5 million——

Mr. LYNG. That was my understanding.

Mr. SCHLOSSBERG. I think they might be able to come up with $5 million in terms of in kind services, volunteer, et cetera, for the commodity program. Assuming that the problem is where can they get $5 million to assist people to buy food stamps, if that is the problem, there is no way the Department could come up with that $5 million?

Mr. LYNG. No, there is no way.

Mr. SCHLOSSBERG. Well, in that case isn't it true that the Congress has appropriated $20 million in the OEO appropriation for high unemployment areas such as Seattle to assist them in dealing with problems like this?

### NOT FAMILIAR . . . BESIDES, NOT PASSED

Mr. LYNG. I am not familiar with that appropriation bill. As I understand it, it hasn't been passed yet.

Mr. SCHLOSSBERG. No, it has been passed. My understanding is that the Office of Management and Budget has informed Senator Magnuson that they are holding back those funds.

Mr. LYNG. These are not USDA funds.

Mr. SCHLOSSBERG. No, but they are administration funds.

Mr. LYNG. Yes, Well, I am not familiar with that?

Senator PERCY. Mr. Secretary, if you would be agreeable, we will

hold the record open for a short while. In the event that we go back over the 4 days' hearings and find questions that have not been asked yet we will ask the staff to submit those questions to you. We will then incorporate them in the hearing record before it is closed.

I want to express very deep appreciation to you, Mr. Secretary, for your appearance today and for the cooperation of the Department, and to Mr. Hekman, Mr. Castillo and Mr. Grange for being with us this morning.

We are 20 minutes behind schedule for lunch.

Are there any further questions by Senator Cook or Senator Schweiker?

If not, we cordially invite you to eat your own food.

The committee is in recess, subject to the call of the Chair.

(Whereupon, at 12:20 p.m., the Select Committee was recessed, to reconvene at the call of the Chair.)

# APPENDIXES

## Appendix 1

## ITEMS PERTINENT TO THE HEARING OF SEPT. 22, 1971

### Material Submitted by the Witnesses

FROM EFRAIN SANTIAGO

APPENDIX A

SELECTED DATA FOOD DISTRIBUTION PROGRAM

| Items | 1967–68 | 1970–71 | 1972–73 |
|---|---|---|---|
| Families served | 86,900 | 112,500 | 136,000 |
| Persons served | 544,700 | 763,800 | 872,200 |
| Children receiving whole milk | 7,500 | 6,088 | 40,000 |
| Annual budget | $1,675,400 | $2,645,200 | $5,600,000 |
| Food distributed (pounds) | [1] 77,600,000 | 136,500,000 | [2] 218,000,000 |
| Food authorized (pounds) | [1] 90,700,000 | 191,000,000 | 218,000,000 |
| Value of food distributed | [1] $20,300,000 | $33,500,000 | [2] $58,200,000 |
| Value of authorized food | [1] $23,900,.00 | $50,600,000 | [2] $58,200,000 |
| Types of food distributed | 15 | 21 | 21 |
| Whole milk distributed (pounds) | 935,800 | 730,650 | 4,800,000 |
| Cost of whole milk | $507,800 | $487,100 | $4,000,000 |
| Food distribution centers | 80 | 86 | 90 |
| General warehouses | 2 | 5 | 9 |

[1] Fiscal year 1968–69.
[2] Assuming all authorized food is distributed.



58–854 O—71—pt. 8B——7

APPENDIX B

STUDY, JULY 1971

| | S.J. | New York | Philadelphia | Miami |
|---|---|---|---|---|
| Beefsteaks: | | | | |
| Porterhouse | 1.80 | 1.39 | 1.59 | 1.49 |
| Rib | 1.75 | 1.39 | ---------- | 1.29 |
| Sirloin | 1.59 | 1.29 | 1.42 | 1.39 |
| Round | 1.69 | 1.75 | 1.71 | 1.39 |
| Top sirloin | 1.79 | 1.75 | 1.42 | 1.39 |
| Chopped | .99 | .99 | .96 | 1.09 |
| Stew | .99 | 1.04 | ---------- | .99 |
| Pork: | | | | |
| Pork chop | .65 | .83 | .64 | .79 |
| Pork center | 1.09 | 1.32 | 1.04 | ---------- |
| Spareribs | .79 | .90 | .90 | .79 |
| Feet | .33 | .33 | .31 | ---------- |
| Chicken: | | | | |
| Thigh | .75 | .67 | .76 | .76 |
| Breast | .68 | .52 | ---------- | ---------- |
| Wing | .49 | .39 | .45 | ---------- |
| Whole | .49 | .49 | .39 | .39 |
| Canned: | | | | |
| Tuna | .45 | .47 | .57 | .68 |
| Instant coffee | .89 | .57 | .60 | .65 |
| Evaporated milk | .23 | .20 | .25 | .24 |
| Tomato sauce [1] | .10 | .13 | .15 | .13 |
| Sausages [1] | .20 | .35 | .30 | .31 |
| Spaghetti sauce | .41 | .43 | ---------- | .39 |
| Luncheon meat | .47 | .45 | .47 | .32 |
| Corned beef | .93 | ---------- | .80 | .79 |
| Baby food | .12 | ---------- | .15 | .10 |
| Miscellaneous: | | | | |
| Soap bath | .24 | .25 | ---------- | .23 |
| Clorox bleach | .51 | .40 | .47 | ---------- |
| Toothpaste | .67 | ---------- | .74 | [2] .69 |
| Cereals: | | | | |
| Cornmeal [1] | .29 | .36 | ---------- | .37 |
| Flour meal | .33 | .34 | .32 | .32 |
| Rice 10 lbs.[1] | 1.35 | 1.69 | ---------- | 1.89 |
| Soda crackers [1] | 1.19 | 1.39 | 1.41 | 1.48 |
| Corn flakes | .57 | .49 | .37 | .45 |
| Oil vegetable: | | | | |
| Mazola [1] | 1.34 | 1.39 | 1.39 | 1.39 |
| Tomatoes pound | .49 | .39 | .49 | .39 |
| Onions pound | .20 | .15 | .12 | .15 |
| Potatoes | .12 | .15 | .08 | .08 |
| Lard 3 lbs.[3] | .69 | .95 | .99 | .94 |
| Eggs imported | .55 | .45 | .49 | .57 |
| Cheese: | | | | |
| Indulac | .79 | .65 | .68 | .65 |
| Oleomargarine | .57 | .55 | .54 | .52 |

[1] Locally produced/processed.
[2] Colgate.
[3] Controlled price.

84 A

ESTADO LIBRE ASOCIADO DE PUERTO RICO,
DEPARTMENTO DE SERVICIOS SOCIALES,
*San Juan, Puerto Rico, October 14, 1971.*

Senator CHARLES PERCY,
*Select Committee on Nutrition and Human Needs, U.S. Senate, Senate Annex, Washington, D.C.*

DEAR SENATOR PERCY: I appreciate the opportunity that was provided for me to testify before this Committee concerning the Food Distribution Program in Puerto Rico.

During my testimony you requested for the record information concerning the local effort in distributing the foods provided by the USDA in Puerto Rico. Enclosed find a chart giving this information for the last three years. This only represents Commonwealth funds and does not include any funds provided by any agency of the Federal Government. You asked me to compare this with what other States are doing. Unfortunately, this information from other States is not available. The USDA has informed me that they do not collect this from the States and what information they have is incomplete and may include other Federal funds from OEO or other agencies.

I trust that this is of use to the Committee in its study of this program.

Cordially,

EFRIAN SANTIAGO,
*Secretary.*

FOOD DISTRIBUTION PROGRAM OF PUERTO RICO, DEPARTMENT OF SOCIAL SERVICES EXPENSES PAID FOR WITH LOCAL FUNDS

| | Fiscal year 1969 | Fiscal year 1970 | Fiscal year 1971 |
|---|---|---|---|
| Salaries and wages | $633,300 | $729,200 | $832,000 |
| Transportation | 320,657 | 211,528 | 236,264 |
| Rent | 184,933 | 202,676 | 197,568 |
| Whole milk | 487,100 | 487,779 | 419,682 |
| Other | 151,112 | 144,117 | 213,386 |
| Total | 1,777,102 | 1,775,300 | 1,898,900 |
| Number of people served during the same period as mentioned above: | | | |
| People served | 5,794,903 | 6,377,862 | 6,826,473 |
| Monthly average | 482,908 | 531,488 | 568,872 |

## FROM PROCTOR CARTER

U.S. SENATE,
*Washington, D.C., June 5, 1970.*

Hon. CLIFFORD M. HARDIN,
*Secretary of Agriculture,*
*Washington, D.C.*

DEAR MR. SECRETARY: We have become concerned about an inequity that has arisen with respect to the local operating costs of the commodity distribution program—an inequity that has resulted from the very commendable efforts of this and the previous Administration to make available a food assistance program in every county in the nation.

As you know, local operating costs of this program are now met in three different ways:

(1) from state and/or local funds in 664 counties which have voluntarily adopted a commodity distribution program;

(2) through total or substantial direct Federal assistance in 219 "low-income counties; and

(3) through total or substantial Federal assistance in the form of USDA grants to the States in 285 counties which had no food assistance program at the beginning of this year.

The inequities in this situation are obvious. Those "low-income" counties which had a program prior to fiscal 1968 must continue to bear the cost of the program while other "low-income" counties do not. Additional counties are now receiving programs with Federal assistance without regard to their income status. The

inequities are even more striking in those States where neighboring counties or counties in similar circumstances are treated differently. In 20 of the 39 States in which the program operates some counties receive Federal assistance while others do not.

The basic inequity, however, lies in the fact that those counties which took the initiative and accepted the responsibility of providing a food assistance program for their residents (most of them before hunger became a national issue) are being penalized for having done so.

We know that the Department has not intended this result, and are confident that you will want to take the steps necessary to correct this inequity.

The regulations governing the grants to the States for the expansion and improvement of the commodity distribution program provide that "in no event . . . shall such funds be used to reduce the amount of funds derived from State or local government sources." Therefore, it is not presently possible for the States to distribute Federal funds in an equitable manner among all participating counties. We strongly urge the Department to revise the regulations governing the use of grant funds in a manner that will make possible the distribution of Federal assistance on a more equitable basis.

If it should be found that such an assistance formula would not be consistent with the goal of establishing a food assistance program in every county, then we would urge the Department to use the authority available to it under section 32 of Public Law 74-320 to assume the full operating cost of the commodity distribution program in every county.

Sincerely yours,

HOWARD W. CANNON
THOMAS F. EAGLETON.
PHILIP A. HART.
GEORGE MCGOVERN.
WILLIAM PROXMIRE.
STUART SYMINGTON.

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## FROM WARREN H. BRELAND

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### EXHIBIT A

### LONG ISLAND PEOPLE'S ASSOCIATION FOOD CENTERS STORE LOCATIONS

Baldwin, 2096 Grand Avenue
Bellmore, 1906 Newbridge Rd.
Bethpage, 297 Broadway
Farmingdale, 189 N. Main St.
Floral Park, 340 Jericho Tpke.
Franklin Square, 82 Franklin Avenue
Freeport, 21 W. Merrick Rd.
Glen Cove, 103 School St.
Great Neck, 795 Northern Blvd.
Hempstead, 69 Nichols Court
Hicksville, 259 Broadway
Inwood, 95 Doughty Blvd.
Island Park, 263 Long Beach Rd.
Levittown, 2721 Hempstead Tpke.
Merrick, 27 Merrick Avenue
Long Beach I, 522 Park Place
Long Beach II, 911 W. Beech St.
Lynbrook, 27 Hempstead Avenue
Massapequa, 570 Merrick Avenue
Mineola, 169 Mineola Blvd.
New Cassel, 620 Union Avenue
Garden City Park, 2240 Jericho Tpke.
Oceanside, 3143 Lawson Blvd.
Oyster Bay, 78 South St.
Port Washington, 139 Main St.
Rockville Centre, 47 N. Village Avenue
Roosevelt, 250 Nassau Rd.
Uniondale, 573 Uniondale Avenue
Valley Stream, 433 Rockaway Avenue
West Hempstead, 523 Hempstead Ave.
Elmont, 493 Hempstead Tpke.

EXHIBIT B

X - STORES THAT WERE OPERATED BY COUNTY BEFORE L.I.P.A. INCEPTION

□ BOX INDICATE THE 31 STORES L.I.P.A. OPERATES IN NASSAU COUNTY

L.I.P.A.
3-18-70

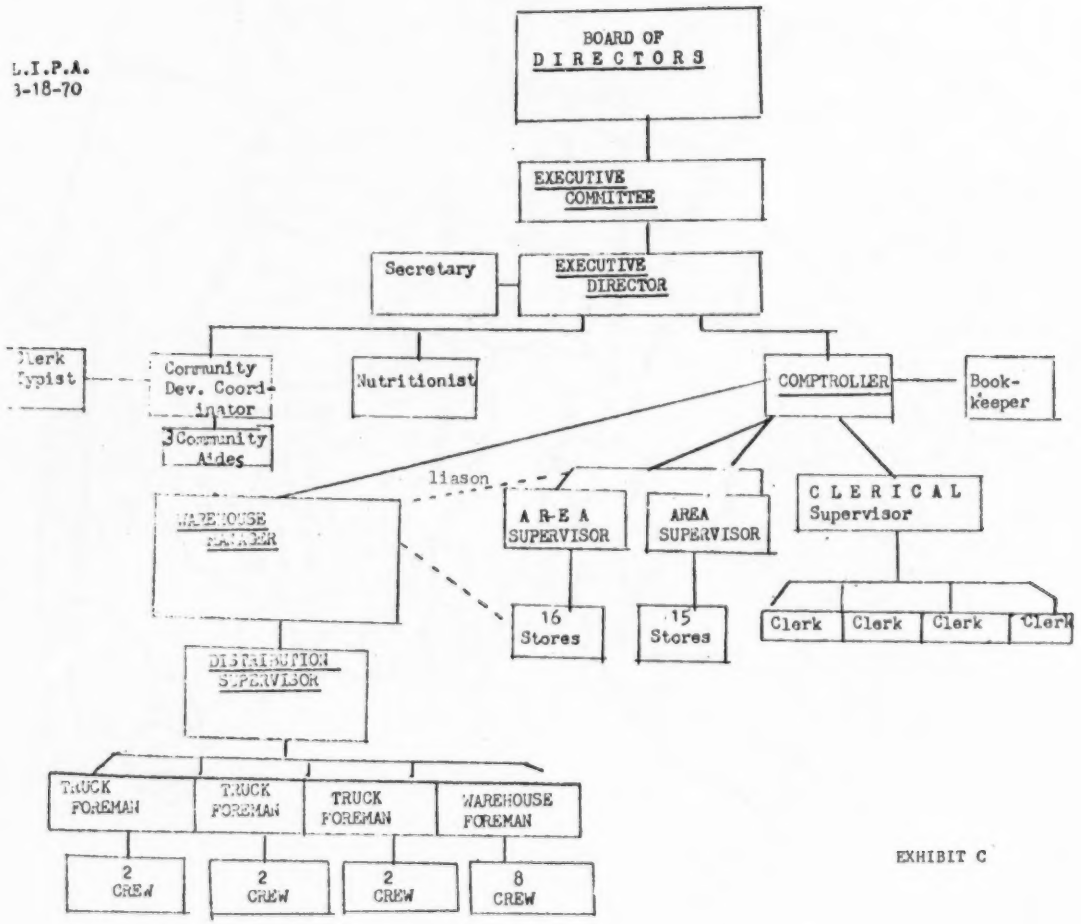


EXHIBIT C

## Material Submitted by Other Than Witnesses

### FROM SENATOR EDMUND S. MUSKIE

U.S. SENATE,
COMMITTEE ON GOVERNMENT OPERATIONS,
*Washington, D.C., September 30, 1971.*

HON. GEORGE S. MCGOVERN,
*Chairman, Select Committee on Nutrition and Human Needs, U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: Enclosed is a statement on the donated food program in Maine prepared by an attorney for Pine Tree Legal Assistance, Inc., in connection with a grant from the Office of Economic Opportunity.

Mr. Zendzian has asked me to forward this statement to you with the request that it be included in the record of your recent hearings on the donated commodity program.

Thank you for your cooperation.

Sincerely,

EDMUND S. MUSKIE,
*U.S. Senator.*

### WRITTEN TESTIMONY FOR THE SENATE SELECT COMMITTEE ON NUTRITION AND HUMAN NEEDS

The people of the State of Maine are facing a crisis in the distribution of donated foods. The crisis is not one concerned merely with the quality or quantity of donated food distribution, but whether there will be a distribution of donated food in much of the State of Maine after March 31, 1972.

The cause for this concern arises out of the unique distribution system existing throughout much of Maine. The fact that Maine does not have any one particular statewide system for distributing donated foods is, in part, the cause of the impending crisis. A brief description of the various types of food distribution programs, presently in existence, will help clarify this particular point.

#### MAINE FOOD DISTRIBUTION PROGRAMS

Maine does not have one uniform system for distributing foods statewide, but rather, has several different schemes which are used to get donated foods to the recipients.

##### 1. FOOD STAMPS

It should initially be pointed out that one of Maine's 16 counties, Androscoggin, which contains the second largest city in the State (Lewiston), and a heavy proportion of the State's population (9 percent), participates in the food stamp program. It is the only Maine county to do so. An effort by some counties to move from commodity distribution to food stamps was effectively thwarted by the 105th Maine Legislature, this past spring, during its regular session. A more detailed discussion of how this was done is set forth in the section dealing with the attitude of the Maine Legislature.

##### 2. STATE ADMINISTRATION

The Maine State Department of Health and Welfare is designated by the Governor as the distributing agent for donated foods in Maine. The Department does not have a specific division which is concerned with the operation of the donated food program, but rather, administers the donated food program through its division administering general assistance (town welfare). The entire staff that works on the donated food program consists of one office man, one field in-

vestigator and a secretary. There is no logical connection between the receipt of donated food and the administration of the general assistance program in the State of Maine, other than the fact that the recipients of both types of help are poor people.

3. CITIES AND TOWNS AS SUBDISTRIBUTING AGENCIES

One hundred and twenty-seven of Maine's towns and cities contract directly with the Maine State Department of Health and Welfare for the distribution of donated food. In April, 1971, these individual town and city programs served a total of 46,737 individuals out of a statewide total certified eligible of 102,905. The administration of the donated food program by the towns is usually delegated to the town welfare director, or to one of the selectmen, or the town clerk. The result is often the confusion of the donated food program and the general assistance program—both by accident and design. It has been claimed that a local welfare director will reduce the amount of a food order being given to a family—pursuant to general assistance—because he knows that donated food will shortly be handed out. Another difficulty, which results in embarrassment to the person receiving both general assistance and donated foods, is the fact that when they go to be certified for the receipt of donated foods they talk with a social worker who also knows other matters pertaining to their social situation. This has resulted in embarrassment, in Bangor, where a social worker has been known to publicly state—during certification, in front of other people—matters which were disclosed to him in confidence in his capacity as a general assistance social worker.

One incident in Bangor last March, 1971, indicates the trouble and confusion which can occur where you have a single department responsible for administering two separate and nonrelated programs. A local welfare rights group, United Low-Income, Inc., was handing out a single sheet piece of paper, printed on both sides, with a person's rights to general assistance from the city of Bangor Welfare Department. On the particular day in question, they chose to hand out the flyer to people waiting in line to receive donated commodities being distributed by the city of Bangor at the Emmanual Baptist Church, 155 Pine Street. The response of the people administering the donated food program—who were also social workers administering the general assistance program—was to close down the food line and refuse to certify any more individuals; or distribute any more food until the local welfare rights organization ceased handing out the flyer dealing with Bangor general assistance. The problem was eventually remedied that day and court action was not found to be necessary; however, it resulted in disruption of the line, confusion, and an extreme amount of delay and inconvenience to the people receiving commodities. The result of actions such as these is to discourage participation in the donated food program by people who are clearly eligible to receive the commodities.

As of April, 1971, a total of 15 towns in Maine did not participate in any manner in the donated food program.

4. COUNTY OPERATED DONATED FOOD PROGRAMS

Three of Maine's counties operate their own donated food programs on a countywide basis. These counties are Kennebec, Somerset and Hancock. In these counties the County Commissioners fund the operation of the program. For fiscal year 1971, it is estimated that the cost to Kennebec County for the operation of the food program was $100,000. Kennebec County has its own storage facilities and the only money they receive from the State is 10 cents a case for the donated foods that are stored. Hancock County was originally a community action-run program; however, due to administrative difficulties, the Community Action Agency was no longer able to handle the program. The County of Hancock received $8,000 from the State during fiscal year 1971 to assist them in administering the program. The $8,000 came in the form of Section 250.15 funds from the U.S. Department of Agriculture through the Maine State Department of Health and Welfare. Hancock County now funds their own program. Since the counties provide their own source of funding, their continued operation of the donated food program is not jeopardized.

5. COMMUNITY ACTION AGENCY AS SUBDISTRICTING AGENCY—LOCAL FUNDING

In one county, Sagadahoc, the distribution of donated commodities is carried out by the community action program for that county—Merrymeeting Community Action Program. The Community Action Agency contracts directly with the

Maine State Department of Health and Welfare and serves as the subdistributing agency. They do their own certifying and administrative reporting and ordering of food for the following month. They transport and distribute the food themselves. The total funding for their operation is obtained from the towns which are served—this includes all towns in Sagadahoc County—by an assessment to the town on the basis of the number of recipients in that town served each month. I do not have the exact figures for the assessment in Sagadahoc County; however, it could be estimated to be approximately 50 to 60 cents per recipient per month for each town. Because the towns are the source of funding, the future operation of the donated food program in Sagadahoc County does not appear to be jeopardized.

6. CITIES AND TOWNS AS SUBDISTRICTING AGENCIES—COMMUNITY ACTION AGENCIES PROVIDING ADMINISTRATIVE ASSISTANCE

In Aroostock County, Maine's northernmost and largest (6,453 sq. miles) county, the individual towns contract directly with the Maine State Department of Health and Welfare as subdistributing agencies. They then pay the cost of transportation of the donated foods from the regional warehouse in Presque Isle to the town halls, where it is stored and refrigerated, if necessary, until the time for actual distribution. The work regarding certification, actual distribution, ordering and reporting of figures to the Maine State Department of Health and Welfare is handled by the two community actions programs in Aroostook County. These two community action programs do not make any assessment against the towns for providing this service; but, fund the provision of this service with an OEO-Emergency Food and Medical Services grant. Central Aroostook program had an EFMS grant for fiscal year 1971 of $9,799. The St. John Valley action program had a similar grant of $20,000.

The loss of these OEO funds to the community action programs will force them to: either find another source of funding for providing the technical assistance to the towns for the donated food program; or, force them to make an assessment against the towns for providing this service; or, force them to discontinue providing this service. It is extremely unlikely that the towns would be willing to bear any additional expense in the operation of their programs. Other sources of funding also appear to be nonexistent.

7. COMMUNITY ACTION AGENCY AS SUBDISTRICTING AGENCY—OEO FUNDING

Except for a scattering of towns that run their own programs—and towns that do not participate at all—the distribution of donated foods in the counties of York, Cumberland, Oxford, Franklin. Knox, Waldo, Washington, Penobscot and Piscataquis is the sole responsibility of the community action program in that county.

The usual operation of such a program is to have the community action program contract for the shipment of the commodities from the nearest distribution point—these are located in Portland, Bangor and Presque Isle—to one or two warehouses maintained by them, or rented by them, for the storage of donated foods. After the commodities are stored in the community action agency's warehouse, the agency then takes the commodities to the recipients in trucks or buses owned by them. The entire cost of shipping, storage and distribution is borne by the community action agency. The community action agency also provides the entire panoply of administrative services, including certifying, ordering and reporting.

The community action agencies fund this operation from two sources. They receive from the towns that they serve on assessment, usually 50 cents per person served per month, from each town. As the actual cost of operating a program is a statewide average of about $1.06 per person per month, this clearly does not pay the entire cost. The remainder of the cost is financed with money received from the Office of Economic Opportunity as a grant for Emergency Food and Medical Services. In actuality the costs are quite often higher than the state average: because the areas served with the community action agencies as subdistributing agencies tend to be more sparcely populated and remote areas, where the actual transportation and delivery costs are higher than they are in the more heavily populated sectors of the State.

The loss of the Emergency Food and Medical Services funds will necessitate that the community action agencies either raise their assessments to the towns;

attempt to get funding from the County Commissioners; find funding from some other source; or, discontinue their programs. Since it was with extreme difficulty that the community action agencies were able to convince the towns to agree to the operation of a donated food program in their towns—even at the minimal cost as it presently stands—it would appear to be extremely unlikely that the town assessment could be raised sufficiently high enough to replace the loss of funding, without losing many of the participating towns. The county funds are in the same situation that are most of the town funds; that is, there are just not funds available for programs, such as these; and, the usual antiwelfare mood of the County Commissioners and town officials would appear to prevent any possible source of funding from being obtained from them.

STATE ATTITUDE TOWARD NUTRITIONAL PROBLEMS OF LOW-INCOME PEOPLE AND HUNGER PROBLEMS OF THE POOR

One of the immediate alternatives of sources of funding which comes to mind after reading the loss of funding above is the State Legislature. The Maine Legislature has only recently become at all responsive to needs of low-income people; however, I believe that they have not reached the point of concern for the needs of low-income people that would result in the State appropriating any money for special programs other than those which already exist.

The Maine Legislature has recently adjourned from their 1971 regular session. During that session several bills to authorize food stamp programs in individual counties were submitted to the Legislature. The result was a consolidation of these bills into one bill which would authorize a statewide food stamp program. This bill, Legislative Document No. 1657, had an appropriation price tag of $397,020 for fiscal year 1971–1972, and $343,822 for fiscal year 1972–1973. The measure was finally adopted; however, the Appropriations Committee deleted the appropriation and added an additional section relative to the intent of the measure. The new statute, which became effective September 23, 1971, repeals and replaces Section 3104 of Title 22 of the Revised Statutes of Maine. The new statute reads as follows:

> Section 3104. Food Stamp Program
>
> The Department is authorized to administer a food stamp program in conformity with regulations promulgated by the United States Department of Agriculture and the United States Department of Health, Education and Welfare.
>
> Section 2—It is the intent of the Legislature that no State funds be appropriated or used in the state-wide food stamp program, but the Legislature feels that the Department of Health and Welfare should have authority to administer such a program if paid for by the Federal Government or by counties or communities in the State. It is also the intent of the Legislature that the food program in Androscoggin shall continue as a pilot program until June 30, 1972, as far as State funds are concerned. The program may be continued by the county or by Federal funding.

This bill was presented and sponsored by Representative Louis Jalbert, of Lewiston, in Androscoggin County. Thus the legislature has clearly indicated that it does not plan to use any State funds for operating food programs in Maine. It is generally recognized that the donated food program is more expensive to run than the food stamp program; and, for this reason, any attempt to obtain funding from the State government would appear to be likely to meet with even more displeasure than that which was visited upon the food stamp proposal this past session.

An additional problem in securing funds from the State Legislature would be the tying together of funds for a donated food program with a bill to change the definition of stepparent—so as to create a stepparent's obligation to support stepchildren, thus getting around the United States Supreme Court ruling in *King v. Smith* (392 U.S. 309 (1968)), and effectively eliminating about 1,200 families from eligibility for Aid to Families with Dependent Children. A similar measure was proposed during this past session of the legislature and it almost passed; however, effective lobbying and pressure from low-income groups and persons assisted in blocking its passage. The enactment of such a "stepparent" clause, along with the appropriation, would result in a gain of $300,000 to $400,000 State appropriation for donated foods and a loss of about $3 million worth of benefits

received under the AFDC program. This would be compounded by the fact that the people removed from AFDC roles may not be automatically eligible to receive donated commodities—thus reducing the present participation in the donated food program.

MAINE'S PARTICIPATION RATE

The donated food program in Maine has been growing steadily during the past few years. Maine State Department of Health and Welfare participation reports show: that for fiscal year 1970, 666,566 persons received donated foods; for fiscal year 1971, 971,924 persons received donated foods. This represents a 46 percent increase above the previous year. Based on an estimate by the Maine State Department of Health and Welfare for fiscal year 1972 (peak month, March 1972 with 100,000 participating), the total number of people served for fiscal year 1972 will be around 1,480,511. This represents an additional increase of almost 7 percent.

Based on national estimates prepared monthly by Food and Nutrition Services, Maine's percentage of the number of people served nationwide in donated food programs had continued to increase. In September of 1970, Maine's percentage was 2.03 of the national participation rate. In December of 1970, it had increased to 2.21 and by February of 1971, it had increased to 2.38 percent.

Nevertheless, despite this growth, only about 32.17 percent of the poor in Maine are participating in the donated foods program. Clearly any action which at all jeopardizes the continued growth and expansion of the donated food program in Maine will jeopardize any possibility of raising the percentage rate of participation among Maine's poor people, and bringing the food program to have wider impact on the poor in Maine.

FOOD DISTRIBUTION PROGRAM—COST OF OPERATION

The total cost of operating the food distribution program in Maine, for fiscal year 1971, was $1,034,207. This includes the cost of operation in every part of the State of Maine—except for Androscoggin County.

Of this cost of operation, $348,261 was reported as being contributed to the State of Maine by the United States Department of Agriculture—FNS.

$250,099 was reported by the Office of Economic Opportunity for Emergency Food and Medical Services grants to Maine community action agencies.

The Maine Department of Health and Welfare reported $18,253.55 in State agency expenditures in the semiannual report ending December 31, 1970. For the purposes of figuring the total cost of operation, this figure was doubled and the cents dropped—due to the fact that no data was available for the remainder of the year.

The balance for the cost of operation, $399,340, was paid from other than FNS funds and OEO and State funds by the cities, towns and counties running the programs.

Broken down this indicates that Food and Nutrition Services pays for over 33 percent of the cost of operating the donated commodity program in Maine; the Office of Economic Opportunity pays for over 24 percent; the local governments pay for over 38 percent, and the State government pays for a mere 3.5 percent. Clearly the State government is not contributing to the expansion and growth of the Donated Food program in Maine.

LOSS OF OEO-EFMS FUNDING

Even if the act to extend the Office of Economic Opportunity for 2 years is approved, including earmarked appropriations for Emergency Food and Medical Services, the Maine community action agencies using such money to operate distribution programs have been informed that such money will no longer be permitted to be used for that purpose. This is not contrary to their original grants of this money; as, this money was originally designed to be used to establish distribution programs and then have someone else, either public or private, take over the actual operation of the distribution. Nevertheless, the funds are being used to distribute foods at the presnt time and the efforts to secure the operation of the program by either public or private agencies has been a futile effort in certain parts of the State of Maine.

Approximately 40 percent of all recipients of all donated commodities in Maine receive their commodities through a distribution program that is run by a community action agency.

CONCLUSIONS

1. The present "patchwork" distribution system must be replaced with a statewide system that assures uniformity.

A. This could be done by Regulations from the USDA which prevented the State Distributing Agency from delegating the entire operation of the donated food program to a "patchwork" of subdistributing agencies and serving as a mere conduit for food.

B. The establishment of a statewide system of uniform distribution could be done through already establishing lines of government—through a newly created agency or through a new or existing private agency; but low-income people, donated food recipients, should be allowed to have some control over the determination of the final distributive system.

2. The funding for donated foods must come from the USDA or from State revenues as towns and counties do not have a sufficiently broad tax base to fund this program.

A. This money could come from the Section 32 money belonging to USDA.

B. USDA might also use some of the funds allocated in Public Law 92–32, 85 Stat. 85 (1971), for such a program.

C. The State should use money available under the Emergency Employment Act (1971) to provide jobs in operating the donated food programs.

3. The operation of the donated food program must be completely divorced from the operation of the general assistance program.

A. The Maine Department of Health and Welfare should not be allowed to perform its contractual duties as the State Distributing Agency out of the office, and with the personnel, of the General Assistance Division.

B. A totally new and separate division of Nutrition should be created within the Department to operate the donated food program; USDA could ensure this in their agreement with Maine and also in their approval of Maine's workable program plan.

The preceeding conclusions are concerned only with the Maine distribution system. There are many other problems that I have not touched upon because of the overwhelming nature of the problem discussed. Maine recipients, like other recipients, have problems with poor packaging, fluctuating food availability, transportation and so forth. These problems are also serious, but unless the larger problem is solved first, the others will not exist to be solved at all.

September 28, 1971.

Respectfully submitted,

PAUL F. ZENDZIAN, Esq.,
*Pine Tree Legal Assistance, Inc.*

## Appendix 2

## ITEMS PERTINENT TO THE HEARING OF SEPT. 23, 1971

### Material Submitted by the Witness

FROM SECRETARY LYNG

RESPONSE TO QUESTION FROM THE CHAIRMAN ON PAGE 2386

One firm was late in making deliveries because of moving its plant. Liquidated damages were collected.

RESPONSE TO SECOND QUESTION FROM THE CHAIRMAN ON PAGE 2386

USDA PURCHASES OF PRODUCTS FOR NEEDY FAMILIES AND SCHOOLS SCHEDULED FOR DELIVERY IN JULY AND AUGUST, 1971

| Product | 1,000 pounds | | |
|---|---|---|---|
| | Quantity | Quantity delivered late | Liquidated damages collected |
| Evaporated milk | 19,794 | 0 | 0 |
| Infant formula milk | 60 | 0 | 0 |
| Frozen poultry | 8,090 | 72 | $176 |
| Vegetable oil shortening | 15,558 | 4,226 | 9,219 |
| Dry beans | 10,562 | 2,434 | 1,428 |
| Rolled oats | 7,736 | 2,839 | 868 |
| Rolled wheat | 2,172 | 472 | 193 |
| Flour | 83,846 | 24,806 | 12,010 |
| Cornmeal | 15,270 | 3,914 | 2,627 |
| Corn grits | 1,467 | 406 | 274 |
| Bulgur | 733 | 289 | 115 |
| Farina | 410 | 102 | 22 |
| Macaroni | 4,535 | 3,025 | 3,700 |
| Split peas | 320 | 104 | 44 |
| Soybean oil | 4,228 | 159 | 371 |
| Dehydrated egg mix | 5,364 | 225 | 1,421 |
| Cheese | 28,724 | 745 | 339 |
| Canned apricots | 22,680 | 637 | 916 |
| Tomato juice | 37,370 | 2,429 | 6,355 |
| Canned corn | 4,771 | 130 | 603 |
| Dehydrated potatoes | 6,340 | 553 | 2,575 |
| Peanut butter | 5,587 | 108 | 23 |
| Corn syrup | 8,585 | 2,552 | 9,945 |
| Nonfat dry milk | 32,301 | 7,678 | 4,542 |
| Butter | 32,929 | 4,046 | 1,878 |
| Canned luncheon meat | 18,295 | 1,540 | 6,410 |
| Frozen ground beef | 6,314 | 1,540 | 6,410 |
| Canned peas | 8,736 | 202 | 425 |
| Canned pork | 10,229 | 3,267 | 20,588 |
| Total | 403,806 | 68,501 | 93,477 |



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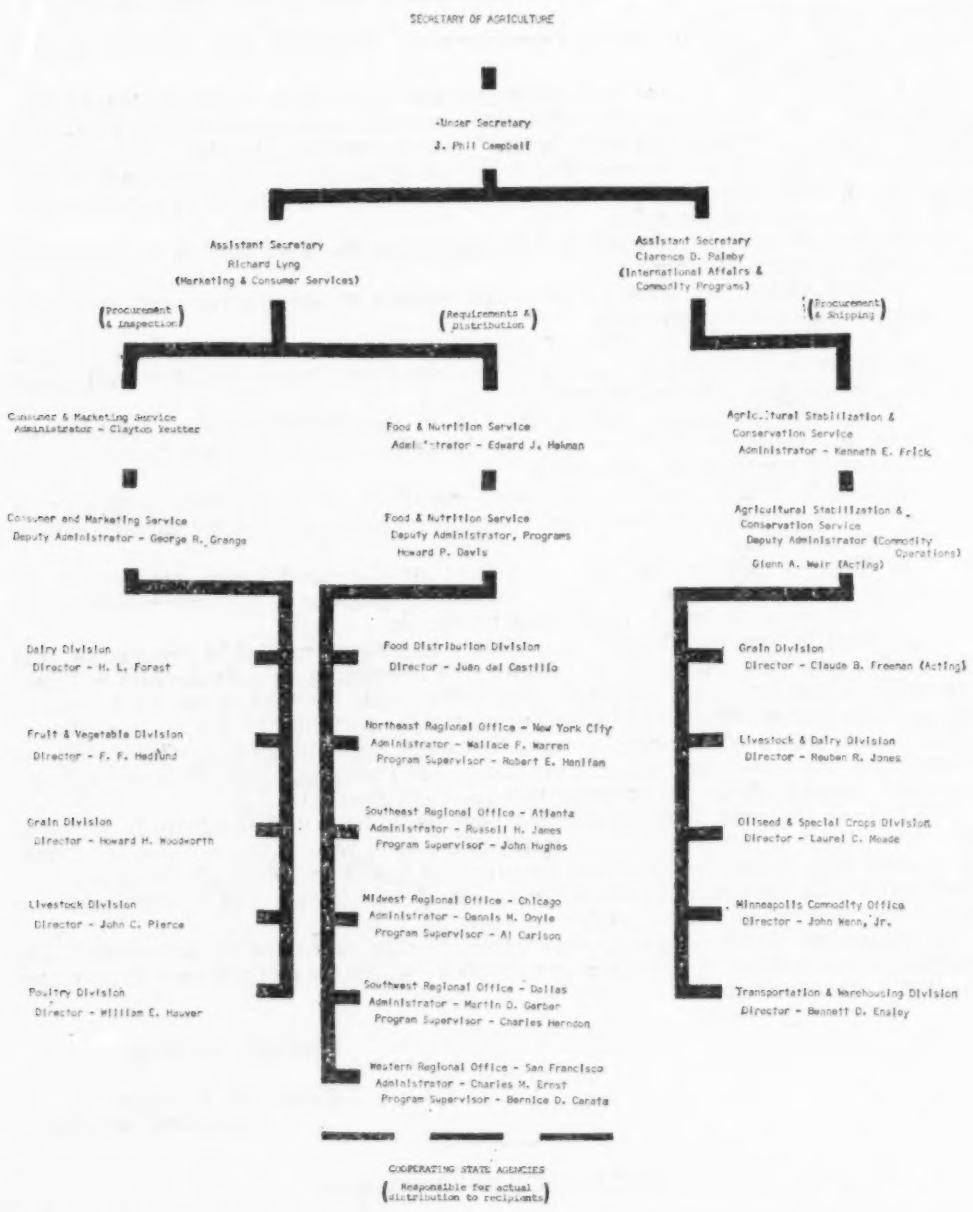
## Response to Question From the Chairman on Page 2388

| COUNTY | ESTIMATED NEEDY POPULATION 1/ | PARTICIPATION IN FOOD DISTRIBUTION PROGRAM 2/ | PERCENT OF ESTIMATED NEEDY BEING SERVED BY FOOD DISTRIBUTION PROGRAM |
|---|---|---|---|
| (HIGH) | | | |
| Aroostook, Maine | 16,488 | 16,862 | 102 |
| Noxubee, Mississippi | 6,912 | 7,325 | 106 |
| Leake, Mississippi | 7,928 | 6,620 | 84 |
| Macon, Georgia | 4,559 | 3,975 | 87 |
| Issaquena, Mississippi | 1,400 | 1,084 | 77 |
| (LOW) | | | |
| Ormsby, Nevada | 2,767 | 117 | 4 |
| Fond Du Lac, Wisconsin | 14,463 | 1,188 | 8 |
| Henderson, Texas | 8,721 | 990 | 11 |
| Chattahoochee, Georgia | 2,489 | 553 | 22 |
| Elko, Nevada | 3,238 | 446 | 14 |

1/ Sales Management, 1971 Survey of Buying Power, Estimated County Population with Income $0-2999.

2/ September 1971 Participation in the Food Distribution Program.

## Response to Second Question From the Chairman on Page 2388


SECRETARY OF AGRICULTURE
Under Secretary
J. Phil Campbell
Assistant Secretary
Richard Lyng
(Marketing & Consumer Services)
Assistant Secretary
Clarence D. Palmby
(International Affairs & Commodity Programs)
(Procurement & Inspection)
(Requirements & Distribution)
(Procurement & Shipping)
Consumer & Marketing Service
Administrator - Clayton Yeutter
Food & Nutrition Service
Administrator - Edward J. Hekman
Agricultural Stabilization & Conservation Service
Administrator - Kenneth E. Frick
Consumer and Marketing Service
Deputy Administrator - George R. Grange
Food & Nutrition Service
Deputy Administrator, Programs
Howard P. Davis
Agricultural Stabilization & Conservation Service
Deputy Administrator (Commodity Operations)
Glenn A. Weir (Acting)
Dairy Division
Director - H. L. Forest
Fruit & Vegetable Division
Director - F. F. Hedlund
Grain Division
Director - Howard H. Woodworth
Livestock Division
Director - John C. Pierce
Poultry Division
Director - William E. Hauver
Food Distribution Division
Director - Juan del Castillo
Northeast Regional Office - New York City
Administrator - Wallace F. Warren
Program Supervisor - Robert E. Hanlan
Southeast Regional Office - Atlanta
Administrator - Russell H. James
Program Supervisor - John Hughes
Midwest Regional Office - Chicago
Administrator - Dennis M. Doyle
Program Supervisor - Al Carlson
Southwest Regional Office - Dallas
Administrator - Martin D. Gerber
Program Supervisor - Charles Herndon
Western Regional Office - San Francisco
Administrator - Charles M. Ernst
Program Supervisor - Bernice D. Canata
Grain Division
Director - Claude B. Freeman (Acting)
Livestock & Dairy Division
Director - Reuben R. Jones
Oilseed & Special Crops Division
Director - Laurel C. Meade
Minneapolis Commodity Office
Director - John Wenn, Jr.
Transportation & Warehousing Division
Director - Bennett D. Ensley
COOPERATING STATE AGENCIES
(Responsible for actual distribution to recipients)

COUNTY OF VENTURA, DEPARTMENT OF SOCIAL WELFARE,
*Ventura, Calif., September 16, 1971.*

Senator CHARLES PERCY,
*Acting Chairman, Senate Select Committee on Nutrition and Human Needs, Washington, D.C.*

DEAR SENATOR PERCY: National attention was focused on Ventura County yesterday when Mr. Robert Choate displayed several soiled and corroded cans of orange juice and evaporated milk before your committee. He stated these items were for distribution to the poor and had been obtained in Ventura County. The information concerning these items pertaining to Ventura County as publicized on TV and in the press is incorrect.

The following are statements of fact regarding the distribution of commodities within Ventura County:

1. Any soiled, corroded or damaged canned goods are removed from the regular distribution process.
2. To prevent distribution of soiled or damaged commodities, all goods are inspected when packing cases are opened and again as individual items are repackaged for distribution.
3. All warehousemen are instructed to immediately remove spoiled or damaged commodities, to record the incident, and to destroy the questionable can or package by puncturing.
4. Not a single incident has been recorded of a recipient returning a spoiled commodity prepackaged in cans in Ventura County in our fifteen years operation.
5. The volume or number of spoiled or damaged items we destroy is negligible and believed no greater than experienced by supermarkets or other retail distributors of similar products.

In his visit in Ventura County, Mr. Choate expressed special interest in several areas of commodity handling operations. We attempted to provide him with all the information necessary to fulfill his assignment. He was taken on a tour of three of the four warehouses to view our actual operations. Mr. Choate specifically asked about soiled or damaged commodities and was shown some scheduled for destruction. At his request he was given some of the cans, along with an explanation that soiled or damaged commodities are destroyed.

We believe the information provided your committee and the form in which it was disseminated through the national news media was unfortunate and untrue. It reflects unfavorably on Ventura County and the Donated Foods Program. The Donated Foods Program is a valuable and useful adjunct to the welfare program and a very definite benefit to welfare recipients.

In summary, Ventura County has never, to this department's knowledge, distributed commodities in damaged or corroded containers or that were in any way spoiled or contaminated.

Very truly yours,

HOWARD ROURKE,
*Director.*
JAMES D. PACKER,
*Assistant Director.*

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## FIELD REVIEW PROCESS

The Food and Nutrition Service, Food Distribution field review process consists of two phases. One of these is the administrative analysis of distributing agencies. The second is the administrative review of recipient agencies.

The Food Distribution Division issues an annual memorandum of instruction to the FNS Regional Offices on the administrative analysis of distributing agencies. Because emphases and directions constantly change, this annual memorandum guides the Regional Offices on distributing agency activities that are to be monitored each fiscal year. The intent of the analysis is to cover the entire scope of each distributing agency operation with special attention to the matters included in the annual memorandum.

The frequency of the analysis of each distributing agency is left to the discretion of the Regional Administrator. Each year some 60 analyses are made with reports and exhibits sent to the Food Distribution Division. The recommenda-

tions resulting from the analyses are made by the Regional Administrator and conveyed by letter directly to the distributing agencies. Written advice of corrective action is customarily required from the distributing agency.

Administrative reviews of recipient agencies are conducted by both the FNS Regional Offices and the distributing agencies. Considering the number of outlets participating in the program (75,000 schools, 9,000 summer camps, 9,000 institutions, and over 1,000 household feeding programs), it is obvious that the State distributing agencies and the State school lunch agencies must be heavily depended upon to provide adequate field supervision.

The FNS role is to monitor the State agency activity in providing this field supervision. The FNS Regional Office staffs customarily review 10 percent of the summer camps, about 50 percent of the needy family programs, and several hundred institutions each year. These reviews are usually made in the company of a State agency reviewer. This method not only serves to determine program compliance at each outlet reviewed, but also insures that State agency reviewers are trained in FNS procedures.

The Child Nutrition Regulations require that ⅓ of the schools in the National School Lunch Program are to be reviewed each year by the State school lunch agency. These reviews include examination of the use of donated foods in the lunch program.

Although practically all reviews are scheduled according to a routine work plan, reviews are also made in situations where complaints have been made, known or suspected irregularities exist, and as follow ups to earlier complaints and irregularities. Following all reviews, the FNS Regional Offices make written reports of findings and recommendations to the distributing agencies and ask for confirmation of corrective action. All reviews and analyses include attention to Civil Rights compliance and enforcement.

Not to be overlooked is the work of the Office of Inspector General. OIG auditors work in about 20 States each year and conduct about 200 audits of the Food Distribution Program annually. This includes both audits of distributing agencies an recipient agencies.

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RESPONSE TO QUESTION FROM THE CHAIRMAN ON PAGE 2392

Contracts require that "good commercial practice" be followed, but no special process is specified.

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## OPERATING EXPENSE FUNDS

The Department deducted from the total grant of $19.7 million sufficient funds to pay to those States which took over Federally operated programs all amounts which would have been expended by the Department with respect to such terminated programs.

The Department's grant to States to assist them in defraying the cost of operating food distribution programs to needy families is based on a formula which includes both the number of poor residing in non-food stamp areas within the State and the per capita income of the State as related to the National average number of poor and per capita income. The amount the States received to operate the program which were formerly operated by the Department was simply added to the amount derived under the formula for the State.

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## POST OFFICE ISSUANCE

Thirty-three post office issuing agents began selling coupons in King County (Seattle), Washington, on October 12, 1971. The issuance fee will be equivalent to that paid bank issuing agents. The Postal Service expects to expand issuance to one hundred post offices throughout King County by the middle of November. The Postal Service views the issuance of food stamps as a community service rather than as a revenue-producing activity. The Food and Nutrition Service will be working closely with the Postal Service to see that the King County experiment succeeds and, if possible, expands to other areas of the Nation.

## RESPONSE FROM USDA

MR. CHOATE, IN HIS FINAL TESTIMONY INDICATED THE FOLLOWING

1. That he had seen corroded and bulging cans of certain commodities at distribution warehouses. He also provided this Committee with samples of some cans in this condition.

*Response.*—As you will note in the letter of September 16 (Exhibit A), from the Ventura County Welfare, the County warehouseman had removed those cans from distribution and they were awaiting disposition when Mr. Choate requested some damaged cans. Our inspectors had determined that no damaged or bulged cans were being distributed and that samples of those cans remaining for distribution, upon examination, were found to be satisfactory.

Approximately one-fourth to one-half of one percent (depending on the product) of the canned foods marketed in commercial channels as well as USDA channels become bulged, corroded, or otherwise damaged as a result of normal packing and handling procedures.

2. That Assistant Secretary Lyng did not provide any explanation of how the ordering mechanism could be better organized so that a county would not be asked early in July to guess its food needs for October, November, and December.

*Response.*—The Department requests that orders be placed by the 20th of each month so that invitations to bid may be issued, contracts let and shipments can be made within six to ten weeks from placement of the order. For instance, all grain products, exaporated milk, salad oil, and shortening ordered by the 20th of October are purchased for shipment December 1. Other commodities are purchased for shipment 30 to generally 90 days in advance with orders to follow on about each 30 day interval. The Department recently purchased sufficient supplies of peanut butter to meet States' needs through February 1972. The States place their orders on a monthly basis for commodities purchased in this manner. We realize that problems in estimating caseloads and guaranteeing shipments, etc., arise and therefore, recommend that a 30 to 60 day inventory be maintained at the warehouse.

We are developing a computerized data retrieval system which would provide the Department with a continuous flow of inventory information from the local level, and include automatic reordering of commodities.

Recently, we have had a management consultant company evaluate the distribution system to determine and develop the most efficient, economical and effective means of handling donated foods as related to transporation, warehousing, and delivery to recipient agencies. We are now working with States regarding implementation of their recommendations.

For each shipping notice issued to vendor or warehouseman a forwarding notice and consignee receipt which set forth time frames in which shipments will be made as well as the origin points of such shipments are sent to the State agency. At time of shipment, the vendor or warehouseman is required to notify the State agency of the shipping date, car numbers, destination, etc.

3. There was no feedback of information from the poor.

*Response.*—Every container bears the name, "U.S. Department of Agriculture." Recipients need only send a letter to the Department advising of a problem. They receive an immediate response. Frequently, onsite investigations precede a final response. More than 10,000 program aides employed in the Expanded Food and Nutrition Program help recipients to make better use of the foods and provide an additional means for the recipient to alert USDA to any problems, State and local agencies are always in touch with our Regional Offices relaying information regarding program status, problems, etc. Administrative reviews are conducted routinely but are also made in situations where complaints have been made, known or suspected irregularities exist and as follow-ups to earlier complaints and irregularities. Additionally, the Department requires all State agencies to provide for a hearing to individuals whose applications for food assistance are denied or are not acted upon with reasonable promptness who are aggrieved by an agency's interpretation of any provision of the State plan of operation as it affects their situation.

4. That USDA, in a letter to Senator Percy, revealed that the Recommended Daily Allowances provided by the food package was closer to 54 percent than the 100 percent indicated by Assistant Secretary Lyng.

*Response.*—In our letter to Senator Percy, we explained that "the nutritional value of foods in the family package at the rates offered by USDA, if accepted and distributed in counties, can provide recipients with 100 percent of their

RDA for six selected nutrients and protein plus 80 percent of the RDA for calories. However, as actually accepted, the percent of RDA for protein and the selected nutrients range from 50 percent to 80 percent and 54 percent for calories. These measurements are based on the nutritional contribution of the kinds and quantities of food accepted."

5. That USDA's Standards of Excellence were unheard of by any county he visited.

*Response.*—The Standards of Excellence were provided to State agencies as goals for each Food Distribution Program to be attained through use of the Operating Expense Funds. However, the first objective in providing Operating Expense Funds to States was to help inaugurate a Food Distribution Program in all areas which did not have one. That has been our main thrust since the Department began providing such monies. Now that nearly every county has a food program, emphasis can be shifted to increasing the availability and quality of existing Food Distribution Programs and developing the full potential participation needy families including the special groups such as the aged and infirm and the migrants.

6. That USDA has not indicated how they could stress the bonus foods which counties can give to the poor.

*Response.*—In his printed testimony, Mr. Choate referred to "counties willing to better serve their poor are permitted to give out bonus amounts of certain foods if the County applied to the State for inclusion in such a program. USDA does nothing to alert counties to this possibility or to urge them to give out more nearly a full months supply of food." The bonus food program which Mr. Choate refers to is apparently the suggested distribution rate set forth in instruction 708–4 of the Food and Nutrition Service. This suggested distribution guide indicates that rates should be adjusted where necessary in accordance with local food consumption habits. For instance, for a family of four the suggested distribution rate of instant nonfat dry milk is a 4-pound package. However, if this is a popular product in a given area, it may be distributed in any amount as long as care is exercised to prevent waste. The amount distributed will be dictated by local tastes.

7. The USDA did not respond with respect to the lien laws in some States.

*Response.*—The lien laws referred to by Mr. Choate do not apply to the Food Distribution Program but are used by certain States in determining welfare assistance rather than food assistance. In fact, USDA's Commodity Distribution Regulations specifically state that recipients shall not be required to make any payments in money, materials, or services, for or in connection with the receipt of commodities and that they shall not be solicited in connection with the receipt of commodities for voluntary cash contributions for any purpose.

8. The USDA did not require the same information on its commodity meat and poultry labels as it required the retail meat and poultry producers to put on their labels.

*Response.*—All of our meat and poultry labels meet the requirements for commercial labels with one variance in the canned chopped meat. On this product, the ingredients statement may appear on the front label panel or on the lid of the can at the option of the packer. This exception is allowed because of variations allowed in the formulation of the product. The particular formulation purchased is governed by prevailing market conditions. By allowing the ingredients statement to be affixed to the lid, a long delivery delay is avoided since vendors can maintain large stores of lids for each of the formulations. Comparable stocking of cans with front label variations would not be feasible.

9. That, despite statements made at the hearings, that the prime focus of this program is the food needs of the poor, he suspects that the Administration is marking time until the family assistance program is decided on by this Congress. of the donated foods has been improved through enrichment and fortification

*Response.*—As pointed out in the Department's testimony, the nutritional value wherever possible. We provide monetary assistance to States to expand and improve their distribution programs. In FY '71, $19.7 million was provided to expand warehousing, add distribution points, establish better storage and distribution facilities, and so on.

Recently, we have had a management consultant company evaluate the distribution system to determine and develop the most efficient, economical and effective means of handling donated foods as related to transportation, warehousing and delivery to recipient agencies. We are now conferring with our Regional Offices and State agencies on implementation of these recommendations.

We have provided outreach assistance. More than 10,000 program aides are now employed in the Expanded Food and Nutrition Education Program. These aides assist homemakers to make better use of commodities through use of recipes, and other nutrition materials, such as the flip chart booklet "Food for Your Table" and the "Thrifty Family" Flyer series. Much of this material is being printed in Spanish as well as English. These program aides have been influential in acquainting homemakers with the availability of the foods and have helped them to obtain the foods.

A common procedure in most States has been to set up demonstrations at distribution centers to introduce recipients to unfamiliar or new commodity foods. Program aides or volunteers prepare dishes or milk drinks from the foods, get recipients to taste these, and then give them the recipe for their use at home.

Other outreach efforts include: A Handbook for Volunteers for use by public and private groups and individuals assisting in efforts to strengthen and expand the programs. We have always supported and encouraged public and private agencies, such as Red Cross, Salvation Army, Service organizations, Church groups, etc., and most recently the Center for Voluntary Action to assist us in reaching all eligible persons.

We recognize it is difficult, often impossible, for the elderly and disabled to get to the distribution centers and back home with a month's supply of food. In conjunction with the American National Red Cross and the new Center for Voluntary Action, we have developed the Drive to Serve Program. It is still in the very early pilot stages but appears to have tremendous potential. At this point the program has been limited to those 65 and over. However, if the pilots prove successful, and we have every reason to believe they will, we hope to expand it to the disabled. In this Program, local high school students using their own or their families' cars deliver the food to the senior citizens' homes. The Red Cross or other interested agencies act as proxy for the older person and as the coordinators of the driver's schedules.

In an effort to make it easier for potential program recipients and present program participants to find the telephone number of the local food assistance office, we are working with the American Telephone and Telegraph's Bell System to insert a special "Food Help Program" listing in an initial 10 pilot project areas. A public awareness program is planned and will be put into effect upon directory publication dates in each location.

In cooperation with the U.S. Postal Service, a Food Help Poster is now on display in over 33,000 locations. This poster directs potential recipients to the local agency distributing food.

In June of this year, the Department entered into a direct agreement with the Navajo nation for food assistance to needy Indian families. This, in addition to the $230,000 grant for FY '72, has enabled the reservation's food program to be greatly expanded in all areas. Through our working relationship with the Department of Defense, we have been successful in obtaining two central and eight strategically located satellite warehouses for use by the reservation.

During the past year, we have made some very significant nutritional interventions in the Navajo food program. Nutritiously enriched food items now made available for distribution include enriched wheat-soy macaroni, doubly enriched lysine-fortified bread flour, instant fortified nonfat dry milk. Additionally, Indian infants are now receiving a dry iron-fortified infant formula along with the iron fortified rice cereal. The products currently distributed are excellent from a nutritional standpoint and acceptable from a cultural standpoint on most reservations. Pinto beans which are preferred by the Indians and Spanish-Americans are now being supplied to areas which request them.

Labels for family-sized packages of donated foods are being redesigned. The new labels will be of special benefit to the segments of the caseload which are illiterate, have low reading levels, or speak Spanish. Some of the features of the new labels include:

designs in two or three colors.
Spanish name of each food,
illustrations on all front panels to show the enclosed food.
labels for egg mix, dehydrated potatoes and nonfat dry milk will have mixing instruction in Spanish.
a simplified type of nutrition labeling featuring the Daily Four Food Groups to aid in local nutrition activities.

Within the framework of existing legislative authorities, we intend to move forward with such improvements as are practical. Our goal is to continue to make

available the variety of food that provides the essential nutrition to needy persons dependent upon those foods. We will continue to provide assistance and encouragement to States to improve their distribution systems so that foods can be more conveniently available to eligible recipients.

One of the areas of major thrust will be to expand our outreach and nutrition education efforts.

Besides increasing program availability, stress will be placed on exploring the potential offered by further enrichment and fortification of foods, particularly to meet the needs of special groups.

10. That Mr. Lyng made no mention that Washington, California and Oregon had agreed that if the States were forced to incur welfare costs due to migrants from another State, they would eventually bill the other State.

*Response.*—This does not apply to the Food Distribution Program which operates in several areas in Oregon and California. The State of Washington does not have the Food Distribution Program.

11. That Mr. Lyng had made no mention of any interest in purchasing Puerto Rican foods for Puerto Ricans nor the fact by using U.S. Bottoms, it caused higher transportation costs.

*Response.*—The Department had always encouraged Puerto Rican vendors to submit bids under invitations issued by USDA. Until recently, we have not received any responses. However, we now purchase peach, and apricot nectar, flour and Cornmeal from Puerto Rican vendors. We also send bulk shipments of CCC ride to Puerto Rico to be milled and packaged for local distribution by Puerto Rican firms.

Shipments of USDA commodities to Puerto Rico are governed by the Merchant Marine Act of 1920 which reads in part . . . "That no merchandise shall be transported by water, or by land and water, on penalty of forfeiture thereof, between points in the United States, including districts, territories, and possessions hereof embraced within the coastwise laws, either directly or via a foreign port, or for any part of the transportation, in any vessel than a vessel built in and documented under the laws of the United States and owned by persons who are citizens of the United States . . ."

12. That USDA did not suggest how the can size or bag size can be improved.

*Response.*—The container and package sizes for USDA donated foods depend upon and generally adhere to the sizes which normally appear on the retail market for any given commodity. Products such as flour, evaporated milk, egg mix, and cheese are made available to States by USDA in more than one package size; however, in order to obtain food in the volume necessary for the program at a reasonable and responsible price, USDA will accept bids for the larger package sizes. Information on package labels is designed to help recipients use the foods. The labels contain storage recommendations for before and after opening the package, food use suggestions and recipes developed to make maximum use of other donated foods. Because canned peanut butter, egg mix, shortening and infant formula are distributed with snap plastic lids, it is possible to reuse these containers for storage.

## Appendix 3

## LETTERS AND ARTICLES OF INTEREST

### Information Previous to the Hearings

FROM SENATOR PERCY

SEPTEMBER 1, 1971.

HON. CLIFFORD M. HARDIN,
*Secretary, U.S. Department of Agriculture,*
*Washington, D.C.*

DEAR MR. SECRETARY: In conjunction with the hearings I will be conducting in September on the Commodity Distribution Program, there are a few questions concerning the Department's position that ought to be raised at this time.

1. What are the Department's plans for promulgation of national eligibility standards for the Commodity Distribution Program?
2. When would such regulations, if anticipated, become effective?
3. Would such regulations and standards require new state plans of operation?
4. What affirmative action would the Department forsee ultimately to bring counties into compliance with such standards?
5. In case such standards were promulgated, would the Department seek more funds for administration of the program through the states or would it make its own presence more evident through other means?
6. What were the amounts of the total liquidated or other damages collected by the Department for the last five years as a result of contract abrogations in the Commodity Distribution Program?
7. Finally, what commodities, now purchased with section 32 funds, could possibly through existing authority be purchased with section 416 funds?

I would greatly appreciate a response to these questions as soon as possible so that they might be utilized in the upcoming hearings. Thank you for your cooperation in this matter.

Sincerely,

CHARLES H. PERCY,
*U.S. Senator.*

U.S. DEPARTMENT OF AGRICULTURE,
FOOD AND NUTRITION SERVICE,
*Washington, D.C., September 14, 1971.*

HON. CHARLES H. PERCY,
*U.S. Senate.*

DEAR SENATOR PERCY: Secretary Hardin has asked me to respond to your letter of September 1, 1971, concerning the Food Distribution Program.

In response to questions one through five, the Department has no plans for promulgation of national eligibility standards.

In response to questions six and seven, the total dollar figure for liquidated damages collected for late delivery is not available.

However, the following information is furnished:

1. For dairy products acquired under the price support program, liquidated damages are assessed at the rate of one cent per hundred pounds per day.
2. For grain products acquired under the price support program, the liquidated damages were assessed at one-half cent per hundred pounds per day, but these now are in the process of being doubled.

3. For salad oil and shortening acquired under Section 416, liquidated damages are assessed at two cents per hundred pounds per day.

4. C&MS assesses liquidated damages for late shipments under Section 6 and Section 32 as applicable at either one cent per case per day or at six cents per hundred pounds per day.

The purchase of peanut butter ($17.9 million) has already been shifted from Section 32 to Section 416 funds. There is a possibility that $17.7 million for purchase of evaporated milk and $4.8 million for purchase of corn syrup may also be shifted from Section 32 to Section 416 funds.

We hope we have been of assistance in providing this information.

Sincerely,

EDWARD J. HECKMAN,
*Administrator.*

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FROM THE OFFICE OF EMERGENCY PREPAREDNESS

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EXECUTIVE OFFICE OF THE PRESIDENT,
*Washington, D.C., August 27, 1971.*

MR. JUD SOMMER,
*Minority Counsel, Select Committee on Nutrition and Human Needs,*
*U.S. Senate, Washington, D.C.*

DEAR MR. SOMMER: This responds to your letter of August 18, 1971, in which you requested information concerning emergency delivery of food to needy people.

During February, 1971, the Office of Emergency Preparedness did coordinate an emergency hay delivery program in several States at the request of the Governors concerned. The United States Army and Air Force did provide military aircraft for the evacuation of stranded personnel and for the airdrop of hay to stranded cattle during the February-March blizzards.

In a similar situation, when there is no other means to get food to starved people, this Office could and would coordinate the emergency transportation of food and other necessities as required. Alternatively, evacuation of stranded personnel would be considered. The Office of Emergency Preparedness has the necessary authority and responsibilities under current statutes to provide such a service when required.

Sincerely,

THOMAS J. SIMMONS,
*Executive Assistant.*

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FROM THE U.S. DEPARTMENT OF AGRICULTURE

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DEPARTMENT OF AGRICULTURE,
*Washington, D.C., August 27, 1971.*

Hon. CHARLES H. PERCY,
*U.S. Senate.*

DEAR SENATOR PERCY: Thank you for your letter of July 21 which transmitted a series of questions regarding the Department's Food Distribution Program. For easy reference we are repeating these questions in our enclosure to this letter, together with the answers thereto.

Please contact us if we can be of further assistance.

Sincerely,

RICHARD LYNG,
*Assistant Secretary.*

1. Has the direct distribution of foods evolved from tight Washington management, or has the program originated county by county according to local initiatives?

Historically, the program was optional and voluntary at the local level. In the last four years, national concern about hunger and malnutrition has resulted in a successful drive to make food assistance programs available everywhere in the Nation. It is also essential to recognize the vital role played

by agencies of State government in the Federal/State/local cooperative structure under which the program is conducted.

2. Is present administration from a Washington base, or is it largely in the hands of regional directors?

Policy is established in Washington but implemented at the Regional level.

3. How often do the regional directors meet to ascertain the performance level of the direct distribution program?

The Regional Administrators meet on call, monthly or every other month. Periodic meetings are also held with Regional Food Distribution Program Directors on specific matters.

4. How do the regional USDA administrators of the direct distribution program review consumer complaints (recipient complaints)?

The Regional Administrators are always sensitive to complaints received in correspondence addressed to them; they also receive copies of such correspondence handled at Washington level. Wherever complaints are specific and can be investigated, this is done.

5. What regulations or administrative protocols have been issued in the last two years to improve the performance of the direct distribution program?

We are attaching regulations herewith.

6. What measuring devices are used to evaluate quarterly or monthly the percentage of the eligible poor currently receiving food program assistance?

The Food and Nutrition Service Program Reporting Staff compiles figures on participation by counties and States on a monthly basis, based on reports submitted by the State agencies. Trends that are observed over a period of time are measured and considered for potential policy changes. Each county submits a monthly participation report to the State showing the number of certified eligibles, the number of participants, and the food items that are distributed. Neither we nor anyone else has precise figures county by county on the total number of persons potentially eligible for this program.

7. What measurement exists to judge the nutritional adequacy of the direct distribution program as it operates in the individual counties?

The nutritional value of foods in the family package at the rates offered by USDA, if accepted and distributed in counties, can provide recipients with 100 percent of their RDA for six selected nutrients and protein plus 80 percent of the RDA for calories. However, as actually accepted, the percent of RDA for protein and the selected nutrients range from 50 percent to 80 percent and 54 percent for calories. These measurements are based on the nutritional contribution of the kinds and quantities of food distributed.

8. What factors are there to measure the competence of local non-USDA administrators in supplying the poor with food?

The FNS has proposed Standards of Excellence for household feeding distribution programs. A copy of these standards is attached. All State agencies have been encouraged to also use these standards in evaluating the programs in their State.

9. What minimum performance standards are sought in monthly or quarterly reports which give the Department a reading on county performance?

See item 6 above.

10. Who actually makes the decision as to what items are offered by the Department of Agriculture for direct distribution?

The Consumer and Marketing Service, Agricultural Stabilization and Conservation Service, and Food and Nutrition Service make joint decisions as to which commodities will be offered to the State. These decisions are based on availability, cost, recipient preference, and nutritional value of food items.

11. Who makes the decision as to what items are offered by individual counties to their recipients?

States and counties decide which USDA-donated foods will be offered to program participants.

12. What is the lead-time on ordering for the 26 items that you offer?

The 24 items we offer require three to eight weeks lead time.

13. Do you guarantee to participating counties that all 26 items will be always available? If not, then why and how are items made available

See item 10. Additionally, we make every effort to make donated foods available as requested, however, supplies of these items are subject to factors noted in item 10 above, as well as possible delays in vendors' shipments, strikes, and production problems.

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14. Do you guarantee to counties that certain items will be available by a certain date?

See item 13.

15. Do you honor these guarantees, if they are made?

See item 13.

16. When a food item is ordered by a county, is the county assured of receiving the item within a prescribed time period?

This is a State responsibility; some States have better capability than others.

17. When a county orders an item, does any other Federal agency or organization have a prior claim on such an item?

Supplying the needs of disaster victims always takes priority over other requirements for donated foods.

18. When an item is ordered by a county, does any portion of the private sector have a prior claim on such an item?

No.

19. When an item is ordered, and the item is not expected to be in adequate supply, is the applicant county so notified?

In that event, we notify the State, and it is the State's responsibility to notify the county.

20. When an item is ordered, are any special instructions on packaging or shipment decreed depending on the part of the country making the request?

This depends on the product and variety of packaging available. We try to satisfy the demands of the States. Justifiable requests by State agencies for a specific mode of transportation (either rail or truck) are honored.

21. What determines which items will be among the 26 items offered?

See item 10.

22. What determines how many pounds, cans or containers of an item shall be made available to a family participating in the program?

This is determined by family size based on past experience, availability of product, and nutritional adequacy. The Department's Family Distribution Guide for donated foods is prepared by USDA technicians—nutritionists and home economists.

23. Does the food distribution program guarantee adequate calories as prescribed by the Food and Nutrition Board? What is the guaranteed calorie level per participant in the direct distribution program?

See item 7.

24. What is the guaranteed nutritional level for each participant, in terms of protein, vitamin A, vitamin B (niacin, thiamine, riboflavin), vitamin C, vitamin D, iron and calcium?

See item 7.

25. When an ethnic or regional group makes a particular request for a certain type of food, how is this handled in the Washington office? In the regional office?

There is an on-going effort to provide variety to suit regional tastes. For example, we are now making pinto beans available to Indians and Mexican-Americans in the Southwest. We are presently trying to provide a special tortilla flour to Mexican-Americans, and we will do so if adequate supplies can be obtained.

26. Who pays for the transportaing of food supplies to a participating county? Who pays for the storage of food in participating county? Who pays for the distribution of the food?

Funds to pay for transportation and storage within the State are provided from three sources—Federal Operating Expense Funds, the State, and the counties.

27. Who pays for any outreach efforts to deliver food to the ailing, the crippled or the distant in a participating county?

Generally, the county or local charitable or volunteer organizations. Additionally, the Department is sponsoring a pilot Drive-to-Serve Program, designed to deliver donated foods to the homes of low-income, elderly persons. This is a cooperative effort involving this Department, the American Red Cross, and local school systems.

28. Who pays for any educational effort as to how to use the food supplies?

The USDA Federal Extension Service, through the county home extension agents, provides training aide programs that utilize the poor to train other needy families in nutrition education. Other efforts are funded at State and local levels. The Nutrition and Technical Services Staff of our

Food and Nutrition Service is set up to provide such education services to the State.

29. Who inspects the quality of the food *sent* to the counties?

The quality of food is inspected by USDA in the vendors' plants before shipment.

30. Who inspects the quality of the food after it is *received* by the participating count.

State and local elements have a responsibility for program management which includes periodic examination of the condition of food. The county or State can request a USDA re-inspection should any food item be suspect.

31. Are the same levels of quality used in inspection here as in commercial inspection?

We understand that ths question asks if our inspection of donated foods is on a par with the inspection of food moving through commercial channels. Our answer is affirmative.

32. Is the packaging for northern Idaho the same as that for southern Arizona?

Packaging standards are uniform. With a few items, such as shortening, processed cheese, and egg mix, the vendor is given an option. For example, processed cheese can be either a 2 or 5 pound loaf; egg mix can be a 6 ounce pouch or 12 ounce tin. Special packaging may be provided where appropriate; for example, tinned butter where refrigeration is inadequate.

33. Who pays the cost of goods damaged or spoiled in transit?

Costs for damaged or spoiled foods are assessed according to liability, and may be paid by either the vendor or the carrier.

34. What efforts are made to learn from the military as to how to produce better food in more usable form for food program participants?

Representatives of this Department have developed liaison with the Defense Supply Agency which involves interagency discussions, and review of specifications for food commodities. Our current specifications for donated egg mix closely follow military specifications for that product.

35. What evaluation of the food programs' successes or failures is sought from the recipients?

All consumer comments or complaints are referred for appropriate study and action. See item 25.

36. Do any counties have a participant management committee which advises the Department of Agriculture on how to improve the program?

The only known program of this nature is in the State of Mississippi, and the advice is actually provided by the community to the State agency rather than to this Department.

37. Do any counties have a program controlled by the participants?

We do not know of any counties where Food Distribution Programs are controlled by recipients.

38. Are the programs in any county managed by someone other than the county welfare office?

Yes, in some States. For examples: in Indiana the township trustees administer the program; in South Dakota, county boards of commissioners administer the program; in North Carolina, the county welfare agency is involved only in certification while the State Department of Agriculture handles distribution; in most instances in Maine and New Hampshire, the program is administered by town selectmen.

39. What public meetings occur at the county, state, regional and national level to entertain suggestions from the participants as to how the food program can be improved?

Unknown. However, the Food and Nutrition Service Regional Offices are in touch with the State agencies wherever and whenever it is learned that improvements are needed. In addition, these offices sponsor periodic meetings with State agencies. The Department held a National Workshop for 82 State agency officials, September 28-October 1, 1970. An earlier Workshop was held in 1969.

40. What is the Department's record with regard to discovery and prevention of infestation of the foods?

See items 29, 30 and 31.

41. What is the maximum age of packaged cereal grain derivatives at the recipient level?

Every effort is made to expeditiously move such products and others to consumers, so as to prevent undesirable time in storage.

42. What is the maximum temperature permitted for the storage of these products?

The Department recommends conditions as shown in the Guide for Warehousing USDA Donated Foods, PA-373.

43. What appeal mechanisms exist for the recipients to gain access to the program?

All State agencies are now required by Food and Nutrition Service Food Distribution Regulations to provide a Fair Hearings Procedure to dissatisfied applicants.

44. What appeal mechanisms exist for groups of recipients to improve the quality of the food delivered?

See item 43. While there are no formal appeal mechanisms for groups of recipients the Department's representatives do meet with groups of recipients (or organizations representing recipients) as requested, to consider their views.

45. Who makes the determination as to whether the family is eligible?

Eligibility is established according to standards set by the State and approved by this Department. Certification in nearly all States (see item 38) is accomplished by the county welfare office.

46. Who scrutinizes the regulations which might place barriers between the poor and the program?

The Department constantly scrutinizes State Plans of Operation. We are continually campaigning to eliminate local restrictive policies and practices.

47. When a county is believed to have a low participation rate, what is the procedure of the Department in changing that low rate?

As a matter of policy, the Department responds to reports of this nature. In one instance, the Department's effort resulted in an increase in county participation from about 169 persons in September 1969 to 7,060 in July of this year.

48. Must a head of household be the food program applicant? Can his wife be the applicant?

This will vary with State policies: in many areas a wife may be the applicant. Proxies are permitted to pick up food.

49. Are there minimal time periods for receiving food?

Counties are encouraged to make distribution facilities accessible to all potential recipients. The local distribution schedule is set by local authorities. Issuance to individual families is ordinarily made once a month.

50. Must applicants bring evidence of low income when they apply?

Applicants must show evidence of income before becoming eligible to participate in the program.

51. Must all applicants take all the items offered by the county, or may they select items within the limitations on each type of food?

This data is not furnished to the Department. It is available at county levels. Recipients are encouraged to make optimum use of donated foods through nutrition education and recipe materials. However, at the same time, recipients are urged not to accept commodities which they cannot or will not use. Signs in all distribution centers advise participants to this effect.

52. How many counties serve recipients from centers which are in excess of 50 miles from the homes of some recipients?

We do not have this information.

53. How many counties provide delivery services at no charge to the crippled and housebound?

We do not have this information. See item 27. Additionally, we widely distribute a Handbook for Volunteers which is designed to encourage community groups to provide free delivery services, as well as other assistance.

54. How many counties provide truck delivery to the vicinity of the recipients on a regular published schedule?

We do not have specific data.

55. How many counties carry or permit to be carried the food allocation to the recipients' car, bus or other form of transportation?

While many distribution centers make a service of this kind available, we do not have information on the number which do so.

56. How many counties use the mails or a commercial delivery system to facilitate the acquisition of foods by participants?

We do not know, but this is not a common practice.

57. What efforts has USDA made to provide foods in containers which will provide a secondary use to the recipients?

Plastic lids are provided with some foods (for example, tinned peanut butter and shortening) for this purpose.

58. What efforts has USDA made to provide vermin-proof packaging in areas where vermin have been discovered in the grain products?

USDA packaging is designed to provide maximum protection from infestation.

59. What efforts has USDA made to render the containers and packages more illustrative of the contents?

New labels are currently being developed by Food and Nutrition Service. Contents in each case will be indicated by appropriate illustrations.

60. What efforts has USDA made to provide preparation instructions on containers?

Preparation instructions are placed on labels. In addition, fact sheets or flyers are distributed which include additional recipes and menus.

61. What special efforts has USDA made to provide food program services to migrant families?

We are currently investigating the practicality of providing a mobile food supply to match insofar as possible the mobility of migrant worker groups. This has involved the assignment of a staff to provide appropriate recommendations for this purpose. We are also looking into the possibility of a multi-State certification process, but this will involve considerable inter-State negotiations.

62. What special efforts has USDA made to provide inter-county or inter-State accreditation to migrant families?

See item 61.

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UNITED STATES DEPARTMENT OF AGRICULTURE,
*Washington, D.C., September 1, 1971.*

Hon. CHARLES H. PERCY,
*U.S. Senate, Washington, D.C.*

DEAR SENATOR PERCY: In response to a telephone request from Mr. Jud Sommer, a member of your staff, to Dr. Louise Page, we are sending you a series of tables providing information on the nutritive value of foods distributed by the Department in its Family Food Distribution Program:

Table 1.—Nutritive Value of Foods in Representative Package USDA Offers to States for Families in Commodity Distribution Program, 1 June 1970.

Table 1a.—Nutritive Value of Alternate Foods and Package Sizes USDA Offers to States for Families in Commodity Distribution Program, 1 June 1970.

Table 2.—Nutritive Value, as Percent of Recommended Dietary Allowances, Supplied by Foods in Representative Package USDA Offers to States for Families in Commodity Distribution Program, 1 June 1970.

Table 2a.—Nutritive Value, as Percent of Recommended Dietary Allowances, Supplied by Alternate Foods and Package Sizes USDA Offers to States for Families in Commodity Distribution Program, 1 June 1970.

Table 3.—Nutritive Value of Foods in Representative Package Actually Distributed to States in Commodity Distribution Program, 1 June 1970.

Table 4.—Nutritive Value as Percent of Recommended Dietary Allowances, Supplied by Foods in Representative Package Actually Distributed in Commodity Distribution Program, 1 June 1970.

Table 5.—Summary of Nutritive Value, as Percent of Recommended Dietary Allowances, Supplies by Foods in Representative Package Offered and Distributed by USDA to States for Families in Commodity Distribution Program, 1 June 1970.

Table 5 is probably the table that will be of most interest. The evaluation is for foods distributed as of June 1, 1970, the last evaluation of this program made by the Agricultural Research Service. The Food and Nutrition Service now carries out the nutritional evaluation.

I trust this is the information that you wanted.

Sincerely,

F. R. SENTI,
*Deputy Administrator.*

Enclosures.

TABLE 1.—NUTRITIVE VALUE OF FOODS IN REPRESENTATIVE PACKAGE USDA OFFERS TO STATES FOR FAMILIES IN COMMODITY DISTRIBUTION PROGRAM, JUNE 1, 1970
(SUBJECT TO CHANGE WITHOUT NOTICE)

| Representative package | Amount per person per month [1] (pounds) | Food energy (calories) | Protein (grams) | Calcium (milligrams) | Iron (milligrams) | Vitamin A value | | Ascorbic acid (milligrams) | Thiamin (milligrams) | Riboflavin (milligrams) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Total (I.U.) | Preformed (I.U.) | | | |
| Applesauce, canned | 1.000 | 413 | 0.9 | 18 | 2.3 | 180 | ---- | 5 | 0.08 | 0.05 |
| Beans, dry | 2.000 | 3,084 | 202.4 | 1,306 | 70.8 | ---- | ---- | ---- | 5.92 | 2.04 |
| Bulgur | .500 | 803 | 25.4 | 66 | 8.4 | ---- | ---- | ---- | .64 | .32 |
| Butter | 1.250 | 4,060 | 3.4 | 114 | 0 | 18,750 | 13,125 | ---- | 0 | 0 |
| Cheese, cheddar, process | 1.562 | 2,621 | 164.3 | 4,939 | 6.4 | 8,638 | 6,047 | ---- | .11 | 2.89 |
| Corn, whole kernel, canned [2 3] | 1.000 | 299 | 8.6 | 18 | 1.8 | 1,220 | ---- | 23 | .12 | .22 |
| Corn grits [2 4] | .500 | 821 | 19.8 | 9 | 10.5 | 1,000 | ---- | ---- | 1.00 | .60 |
| Cornmeal, degermed [2 5] | 2.500 | 4,128 | 89.5 | 68 | 52.5 | 5,000 | ---- | ---- | 5.00 | 3.00 |
| Egg mix, scrambled, dehydrated | .562 | 1,433 | 91.5 | 1,290 | 12.3 | 5,789 | 4,052 | 5 | .71 | 3.03 |
| Lentils, dry | .500 | 771 | 56.0 | 179 | 15.4 | 135 | ---- | ---- | .85 | .50 |
| Macaroni, milk [6] | 1.000 | 1,660 | 57.7 | 268 | 13.0 | 190 | ---- | ---- | 4.00 | 1.70 |
| Meat, chopped, canned | 1.875 | 2,501 | 127.5 | 77 | 18.8 | ---- | ---- | ---- | 2.64 | 1.78 |
| Milk, evaporated [7] | 1.812 | 1,125 | 57.6 | 2,071 | .9 | 2,664 | 1,865 | 9 | .33 | 2.75 |
| Milk, nonfat dry, regular [8] | 4.500 | 7,412 | 732.6 | 26,699 | 12.2 | 44,910 | 44,721 | 144 | 7.16 | 36.72 |
| Oats, rolled | 1.500 | 2,654 | 96.6 | 360 | 30.6 | ---- | ---- | ---- | 4.08 | .96 |
| Orange juice, sweetened, canned [3 9] | 3.108 | 733 | 9.9 | 140 | 5.6 | 2,828 | ---- | 563 | .99 | .28 |
| Peanut butter | 1.000 | 2,640 | 115.7 | 277 | 9.1 | ---- | ---- | ---- | .57 | .57 |
| Peas, split, dry | .500 | 790 | 54.9 | 75 | 11.6 | 270 | ---- | ---- | 1.69 | .66 |
| Potatoes, dehydrated granules [10] | 1.000 | 1,597 | 37.6 | 200 | 10.9 | 16,000 | 16,000 | 798 | .73 | .51 |
| Poultry, boned, canned [11] | 1.812 | 1,602 | 175.9 | 80 | 10.7 | 1,051 | 736 | ---- | .16 | 1.16 |
| Prunes, dried | .500 | 492 | 4.1 | 99 | 7.5 | 3,085 | ---- | 6 | .17 | .32 |
| Raisins | 1.000 | 1,311 | 11.3 | 281 | 15.9 | 100 | ---- | 5 | .51 | .37 |
| Rice, regular [12] | 1.500 | 2,471 | 45.6 | 164 | 31.5 | ---- | ---- | ---- | 3.00 | .21 |
| Shortening [5 13] | .938 | 3,761 | 0 | ---- | 0 | ---- | ---- | ---- | 0 | 0 |
| Sirup, corn | 1.490 | 1,959 | 0 | 311 | 27.7 | ---- | ---- | ---- | 0 | 0 |
| Wheat flour, all purpose [14] | 5.000 | 8,255 | 238.0 | 365 | 65.0 | ---- | ---- | ---- | 10.00 | 6.00 |
| Total | | 59,394 | 2,426.8 | 39,472 | 451.2 | 111,810 | 86,545 | 1,558 | 50.46 | 66.61 |
| Per day | | 1,954 | 79.8 | 1,298 | 14.8 | 3,678 | 2,847 | 51 | 1.66 | 2.19 |

Note: Nutritive values are based on the commodity as specified in the USDA purchase announcement of the date indicated in table 7, "Nutritive value of 1 pound of foods offered for families in commodity distribution program." Changes in such specifications might affect the nutritive value of the commodity.

[1] Based on USDA family distribution for a 4-person family. As indicated below in a footnote for each item, an alternate may be a different food or may be a different amount of the same food because a different package size is used.

[2] Fortified: 195 mg. ascorbic acid per pound.

[3] One 46-fluid ounce can may replace one 46 fluid ounce can of sweetened orange juice.

[4] Two and one-half 13 fluid ounce cans may replace one 46 fluid ounce can of sweetened orange juice.

[5] May replace whole-kernel corn.

[6] May replace canned boned poultry.

[7] Three-fourths of a 2-lb. loaf may replace $\frac{5}{16}$ of a 5-lb. loaf.

[8] Vitamin A values based on yellow varieties; white varieties contain only a trace of vitamin A value.

[9] Enriched: 21 mg. iron, 2 mg. thiamin, 1.2 mg. riboflavin, and 16 mg. niacin per pound. One 2-lb. package may replace ½ 5-lb. package of cornmeal.

[10] One 1-lb. can may replace ¼ 1-lb. 14-oz. can shortening.

[11] One-half of a 1-lb. 14-oz. can may replace ¼ of a 1-lb. 14-oz. can shortening.

[12] One-half of a 3-lb. can may replace ¼ of a 1-lb. 14-oz. can shortening.

[13] Enriched: 13 mg. iron, 4 mg. thiamin, 1.7 mg. riboflavin, and 27 mg. niacin per pound. May replace milk, macaroni.

[14] Fortified: 9,980 I.U. vitamin A and 1,996 I.U. vitamin D per pound. May replace regular nonfat dry milk.

TABLE 1A.—NUTRITIVE VALUE OF ALTERNATE FOODS AND PACKAGE SIZES USDA OFFERS TO STATES FOR FAMILIES IN COMMODITY DISTRIBUTION PROGRAM, JUNE 1, 1970 (SUBJECT TO CHANGE WITHOUT NOTICE)

| Alternate foods or package sizes | Amount per person per month [1] (pounds) | Food energy (calories) | Protein (grams) | Calcium (milligrams) | Iron (milligrams) | Vitamin A value | | Ascorbic acid (milligrams) | Thiamin (milligrams) | Riboflavin (milligrams) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Total (I.U.) | Preformed (I.U.) | | | |
| Apple juice [2 3] | 3.142 | 669 | 1.6 | 85 | 8.5 | ---- | ---- | 613 | 0.09 | 0.22 |
| Apple juice [2 4] | 3.074 | 655 | 1.5 | 83 | 8.3 | ---- | ---- | 599 | .09 | .22 |
| Beans, green, canned [5] | .969 | 79 | 4.4 | 149 | 5.2 | 1,279 | ---- | 17 | .15 | .18 |
| Beef with natural juices [6] | 1.812 | 1,627 | 166.9 | 116 | 25.5 | 127 | 114 | ---- | .42 | 1.23 |
| Cheese, Cheddar, process [7] | 1.500 | 2,517 | 157.8 | 4,743 | 6.2 | 8,295 | 5,807 | ---- | .11 | 2.78 |
| Corn, cream-style, canned [8 8] | 1.000 | 372 | 9.5 | 14 | 2.7 | 1,520 | ---- | 23 | .13 | .23 |
| Cornmeal, degermed [8 9] | 2.000 | 3,302 | 11.6 | 54 | 42.0 | 4,000 | ---- | ---- | 4.00 | 2.40 |
| Lard [10] | 1.000 | 4,091 | 0 | ---- | 0 | ---- | ---- | ---- | 0 | 0 |
| Lard [11] | .938 | 3,837 | 0 | ---- | 0 | ---- | ---- | ---- | 0 | 0 |
| Lard [12] | 1.500 | 6,137 | 0 | ---- | 0 | ---- | ---- | ---- | 0 | 0 |
| Macaroni, wheat-soy [13] | 1.000 | 1,615 | 74.7 | 252 | 13.0 | 20 | ---- | ---- | 4.00 | 1.70 |
| Milk, nonfat dry, instant [14] | 4.000 | 6,512 | 649.6 | 23,460 | 10.8 | 39,920 | 39,764 | 128 | 6.36 | 32.28 |
| Orange juice, unsw., canned [4] | 3.040 | 663 | 10.9 | 137 | 5.5 | 2,766 | ---- | 550 | .97 | .27 |
| Orange juice, unsw., canned [3] | 3.108 | 678 | 11.2 | 140 | 5.6 | 2,828 | ---- | 563 | .99 | .28 |
| Orange juice, sw., canned [4] | 3.040 | 717 | 9.7 | 137 | 5.5 | 2,766 | ---- | 550 | .97 | .27 |
| Peas, green, canned [5] | 1.000 | 299 | 15.9 | 91 | 7.7 | 2,040 | ---- | 40 | .43 | .24 |
| Pork with natural juices [6] | 1.812 | 1,799 | 140.6 | 107 | 21.4 | ---- | ---- | ---- | 3.79 | 1.40 |
| Potatoes, dehydrated flakes [15] | 1.000 | 1,651 | 32.7 | 159 | 7.7 | 16,000 | 16,000 | 798 | 1.05 | .27 |
| Shortening [10] | 1.500 | 6,015 | 0 | ---- | 0 | ---- | ---- | ---- | 0 | 0 |
| Shortening [13] | 1.000 | 4,010 | 0 | ---- | 0 | ---- | ---- | ---- | 0 | 0 |
| Tomatoes, canned [4] | 1.000 | 95 | 4.5 | 27 | 2.3 | 4,080 | ---- | 77 | .23 | .14 |
| Tomato juice [3] | 3.042 | 262 | 12.5 | 94 | 12.5 | 11,042 | ---- | 222 | .73 | .40 |
| Tomato juice [4] | 3.020 | 260 | 12.4 | 94 | 12.4 | 10,963 | ---- | 220 | .72 | .39 |
| Wheat, rolled [16] | 1.500 | 2,313 | 67.4 | 245 | 21.8 | ---- | ---- | ---- | 2.45 | .81 |

[1] Based on USDA family distribution for a 4-person family. As indicated below in a footnote for each item, an alternate may be a different food or may be a different amount of the same food because a different package size is used.

[2] Fortified: 195 mg. ascorbic acid per pound.

[3] One 46-fluid-ounce can may replace one 46-fluid-ounce can of sweetened orange juice.

[4] 2½ 18-fluid-ounce cans may replace one 46-fluid-ounce can of sweetened orange juice.

[5] May replace whole-kernel corn.

[6] May replace canned boned poultry.

[7] Three-fourths of a 2-lb. loaf may replace 5/16 of a 5-lb. loaf.

[8] Vitamin A values based on yellow varieties; white varieties contain only a trace of vitamin A value.

[9] Enriched: 21 mg. iron, 2 mg. thiamin, 1.2 mg. riboflavin, and 16 mg. niacin per pound. One 2-lb. package may replace ½ 5-lb. package of cornmeal.

[10] One 1-lb. can may replace ½ 1-lb. 14-oz. can shortening.

[11] One-half of a 1-lb. 14-oz. can may replace ½ of a 1-lb. 14-oz. can shortening.

[12] One-half of a 3-lb. can may replace ½ of a 1-lb. 14-oz. can shortening.

[13] Enriched: 13 mg. iron, 4 mg. thiamin, 1.7 mg. riboflavin, and 27 mg. niacin per pound. May replace milk macaroni.

[14] Fortified: 9,980 I.U. vitamin A and 1,996 I.U. vitamin D per pound. May replace regular nonfat dry milk.

[15] Fortified: 16,000 I.U. vitamin A and 798 mg. ascorbic acid per pound. May replace dehydrated potato granules.

[16] May replace rolled oats.

Note: Nutritive values are based on the commodity as specified in the USDA purchase announcement of the date indicated in table 7, "Nutritive value of 1 pound of foods offered for families in commodity distribution program." Changes in such specifications might affect the nutritive value of the commodity.

TABLE 2.—NUTRITIVE VALUE, AS PERCENT OF RECOMMENDED DIETARY ALLOWANCES,[1] SUPPLIED BY FOODS IN REPRESENTATIVE PACKAGE USDA OFFERS TO STATES FOR FAMILIES IN COMMODITY DISTRIBUTION PROGRAM, JUNE 1, 1970 (SUBJECT TO CHANGE WITHOUT NOTICE)—Continued

[In percent]

| Representative package | Food energy | Protein | Calcium | Iron | Vitamin A value | Ascorbic acid | Thiamin | Riboflavin |
|---|---|---|---|---|---|---|---|---|
| Applesauce, canned | 0.6 | 0.1 | 0.1 | 0.6 | 0.1 | 0.3 | 0.2 | 0.1 |
| Beans, dry | 4.3 | 13.1 | 4.5 | 19.4 | 0 | 0 | 16.2 | 4.7 |
| Bulgar | 1.1 | 1.6 | .2 | 2.3 | 0 | 0 | 1.8 | .7 |
| Butter | 5.6 | .2 | .4 | 0 | 13.7 | 0 | 0 | 0 |
| Cheese, cheddar, process | 3.6 | 10.6 | 17.1 | 1.8 | 6.3 | 0 | .3 | 6.7 |
| Corn, whole kernel, canned [2 3] | .4 | .6 | .1 | .5 | .9 | 1.5 | .3 | .5 |
| Corn grits [2 4] | 1.1 | 1.3 | 0 | 2.9 | .7 | 0 | 2.7 | 1.4 |
| Cornmeal, degermed [2 4 5] | 5.7 | 5.8 | .2 | 14.4 | 3.7 | 0 | 13.7 | 6.9 |
| Egg mix, scrambled, dehydrated | 2.0 | 5.9 | 4.5 | 3.4 | 4.2 | .3 | 1.9 | 7.0 |
| Lentils, dry | 1.1 | 3.6 | .6 | 4.2 | .1 | 0 | 2.3 | 1.2 |
| Macaroni, milk [6] | 2.3 | 3.7 | .9 | 3.6 | .1 | 0 | 11.0 | 3.9 |
| Meat, chopped, canned | 3.5 | 8.2 | .3 | 5.2 | 0 | 0 | 7.2 | 4.7 |
| Milk, evaporated [7] | 1.6 | 3.7 | 7.2 | .2 | 1.9 | .6 | .9 | 6.4 |
| Milk, nonfat dry, regular [8] | 10.2 | 47.3 | 92.4 | 3.3 | 32.8 | 9.7 | 19.6 | 85.1 |
| Oats, rolled | 3.7 | 6.2 | 1.2 | 8.4 | 0 | 0 | 11.2 | 2.2 |
| Orange juice, sw., canned [3 9] | 1.0 | .6 | .5 | 1.5 | 2.1 | 37.8 | 2.7 | .6 |
| Peanut butter | 3.6 | 7.5 | 1.0 | 2.5 | 0 | 0 | 1.6 | 1.3 |
| Peas, split, dry | 1.1 | 3.5 | .3 | 3.2 | .2 | 0 | 4.6 | 1.5 |
| Potatoes, dehydrated granules [10] | 2.2 | 2.4 | .7 | 3.0 | 11.7 | 53.6 | 2.0 | 1.2 |
| Poultry, boned, canned [11] | 2.2 | 11.3 | .3 | 2.9 | .8 | 0 | .4 | 2.7 |
| Prunes, dried | .7 | .3 | .3 | 2.1 | 2.3 | .4 | .5 | .7 |
| Raisins | 1.8 | .7 | 1.0 | 4.4 | .1 | .3 | 1.4 | .9 |
| Rice, regular [12] | 3.4 | 2.9 | .6 | 8.6 | 0 | 0 | 8.2 | .5 |
| Shortening [5 12] | 5.2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sirup, corn | 2.7 | 0 | 1.1 | 7.6 | 0 | 0 | 0 | 0 |
| Wheat flour, all-purpose [14] | 11.4 | 15.4 | 1.3 | 17.8 | 0 | 0 | 27.4 | 13.9 |
| Total | 82.1 | 156.5 | 136.7 | 123.7 | [15] 81.7 | 104.6 | 138.3 | 154.4 |

[1] 1 person in family of 4: Man and woman, 22 to 35 years; boy, 11 years; and girl, 8 years. National Academy of Sciences-Nationali Research Council, published 1964, 1968.

[2] Fortfied: 195 mg. ascorbic acid per pound.

[3] One 46-fl. oz. can may replace 1 46-fl. oz. can of sweetened orange juice.

[4] 2½ 18-fl. oz. cans may replace 1 46-fl. oz. can of sweetened orange juice.

[5] May replace whole kernel corn.

[6] May replace canned boned poultry.

[7] Three-fourths of a 2-lb. loaf may replace 5/16 of a 5-lb. loaf.

[8] Vitamin A values based on yellow varieties; white varieties contain only a trace of vitamin A value.

[9] Enriched: 21 mg. iron, 2 mg. thiamin, 1.2 mg. riboflavin, and 16 mg. niacin per pound. One 2-lb. package may replace ½ 5-lb. package of cornmeal.

[10] One 1-lb. can may replace ½ 1-lb. 14-oz. can shortening.

[11] One-half of a 1-lb. 14-oz. can may replace ½ of a 1-lb. 14-oz. can shortening.

[12] One-half of a 3-lb. can may replace ½ of a 1-lb. 14-oz. can shortening.

[13] Enriched: 13 mg. iron, 4 mg. thiamin, 1.7 mg. riboflavin, and 27 mg. niacin per pound. May replace milk macaroni.

[14] Fortified: 9,980 I.U. vitamin A and 1996 I.U. vitamin D per pound. May replace regular nonfat dry milk.

[15] The recommended dietary allowance of vitamin A, adjusted to account for the relatively high percentage of preformed vitamin A in the representative package of foods offered (75 percent of total vitamin A value), is 2,700 I.U. On this basis this package provides 136.2 percent of the allowance.

Note: Nutritive values are based on the commodity as specified in the USDA purchase announcement of the date indicated in table 7, "Nutritive Value of 1 Pound of Foods Offered for Families in Commodity Distribution Program." Changes in such specifications might affect the nutritive value of the commodity.

TABLE 2a.—NUTRITIVE VALUE, AS PERCENT OF RECOMMENDED DIETARY ALLOWANCES,[1] SUPPLIED BY ALTERNAT E FOODS AND PACKAGE SIZES USDA OFFERS TO STATES FOR FAMILIES IN COMMODITY DISTRIBUTION PROGRAM, JUNE 1, 1970 (SUBJECT TO CHANGE WITHOUT NOTICE)

(In percent)

| Alternate foods or package sizes | Food energy | Protein | Calcium | Iron | Vitamin A value | Ascorbic acid | Thiamin | Riboflavin |
|---|---|---|---|---|---|---|---|---|
| Apple juice [2 3] | 0.9 | 0.1 | 0.3 | 2.3 | 0 | 41.2 | 0.2 | 0.5 |
| Apple juice [2 4] | .9 | 0.1 | .3 | 2.3 | 0 | 40.2 | .2 | .5 |
| Beans, green, canned [5] | .1 | .3 | .5 | 1.4 | .9 | 1.1 | .4 | .4 |
| Beef with natural juices [6] | 2.2 | 10.8 | .4 | 7.0 | .1 | 0 | 1.2 | 2.8 |
| Cheese, Cheddar, process | 3.5 | 10.2 | 16.4 | 1.7 | 6.1 | 0 | .3 | 6.4 |
| Corn, cream-style, canned [5 8] | .5 | .6 | —.0 | .7 | 1.1 | 1.5 | .4 | .5 |
| Cornmeal, degermed [8 9] | 4.6 | .7 | .2 | 11.5 | 2.9 | 0 | 11.0 | 5.6 |
| Lard [10] | 5.7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lard [11] | 5.3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lard [12] | 8.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Macaroni, wheat-soy [13] | 2.2 | 4.8 | .9 | 3.6 | 0 | 0 | 11.0 | 3.9 |
| Milk, nonfat dry, instant [14] | 9.0 | 41.9 | 81.2 | 3.0 | 29.2 | 8.6 | 17.4 | 74.8 |
| Orange juice, unsw., canned [4] | .9 | .7 | .5 | 1.5 | 2.0 | 36.9 | 2.7 | .6 |
| Orange juice, unsw., canned [3] | .9 | .7 | .5 | 1.5 | 2.1 | 37.8 | 2.7 | .6 |
| Orange juice, sw., canned [4] | 1.0 | .6 | .5 | 1.5 | 2.0 | 36.9 | 2.7 | .6 |
| Peas, green, canned [5] | .4 | 1.0 | .3 | 2.1 | 1.5 | 2.7 | 1.2 | .6 |
| Pork with natural juices [6] | 2.5 | 9.1 | .4 | 5.9 | .0 | 0 | 10.4 | 3.2 |
| Potatoes, dehydrated flakes [15] | 2.3 | 2.1 | .6 | 2.1 | 11.7 | 53.6 | 2.9 | .6 |
| Shortening [10] | 8.3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Shortening [12] | 5.5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Tomatoes, canned [5] | .1 | .3 | .1 | .6 | 3.0 | 5.2 | .6 | .3 |
| Tomato juice [3] | .4 | .8 | .3 | 3.4 | 8.1 | 14.9 | 2.0 | .9 |
| Tomato juice [4] | .4 | .8 | .3 | 3.4 | 8.0 | 14.8 | 2.0 | .9 |
| Wheat, rolled [16] | 3.2 | 4.3 | .8 | 6.0 | 0 | 0 | 6.7 | 1.9 |

[1] Based on USDA family distribution for a 4-person family. As indicated below in a footnote for each item, an alternate may be a different food or may be a different amount of the same food because a different package size is used.
[2] Fortified: 195 mg. ascorbic acid per pound.
[3] One 46-fl. oz. can may replace one 46-fl. oz. can of sweetened orange juice.
[4] 2½ 18-fl. oz. cans may replace one 46-fl. oz. can of sweetened orange juice.
[5] May replace whole kernel corn.
[6] May replace canned boned poultry.
[7] Three-fourths of a 2-lb. loaf may replace 5/16 of a 5-lb. loaf.
[8] Vitamin A values based on yellow varieties; white varieties contain only a trace of vitamin A value.
[9] Enriched: 21 mg. iron, 2 mg. thiamin, 1.2 mg. riboflavin, and 16 mg. niacin per pound. One 2-lb. package may ½ 5-lb. package of cornmeal.
[10] One 1-lb. can may replace ½ 1-lb. 14-oz. can shortening.
[11] One-half of a 1-lb. 14-oz. can may replace ½ of a 1-lb. 14-oz. can shortening.
[12] One-half of a 3-lb. can may replace ½ of a 1-lb. 14-oz. can shortening.
[13] Enriched: 13 mg. iron, 4 mg. thiamin, 1.7 mg. riboflavin, and 27 mg. niacin per pound. May replace milk macroni.
[14] Fortified: 9,980 I.U. vitamin A and 1,996 I.U. vitamin D per pound. May replace regular nonfat dry milk.
[15] Fortified: 16,000 I.U. vitamin A and 798 mg. ascorbic acid per pound. May replace dehydrated potato granules.
[16] May replace rolled oats.

Note: Nutritive values are based on the commodity as specified in the USDA purchase announcement of the date indicated in table 7, "Nutritive Value of 1 Pound of Foods Offered for Families in Commodity Distribution Program." Changes in such specifications might affect the nutritive value of the commodity.

TABLE 3.—NUTRITIVE VALUE OF FOODS IN REPRESENTATIVE PACKAGE ACTUALLY DISTRIBUTED TO STATES IN COMMODITY DISTRIBUTION PROGRAM, JUNE 1, 1970 (SUBJECT TO CHANGE WITHOUT NOTICE)

| Representative package | Amount per person per month [1] (pounds) | Food energy (calories) | Protein (grams) | Calcium (milligrams) | Iron (milligrams) | Vitamin A value | | Ascorbic acid (milligrams) | Thiamin (milligrams) | Riboflavin (milligrams) |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | Total (I.U.) | Preformed (I.U.) | | | |
| Applesauce, canned | 0.900 | 372 | 0.8 | 16 | 2.1 | 162 | | 5 | 0.07 | 0.05 |
| Beans, dry | 1,391 | 2,145 | 140.8 | 908 | 49.2 | | | | 4.12 | 1.42 |
| Bulgur | .069 | 111 | 3.5 | 9 | 1.2 | | | | .09 | .04 |
| Butter | .896 | 2,910 | 2.4 | 82 | 0 | 13,440 | 9,408 | | 0 | 0 |
| Cheese, Cheddar, process | 1.123 | 1,884 | 118.1 | 3,551 | 4.6 | 6,210 | 4,347 | | .08 | 2.08 |
| Corn, whole-kernel, canned [2 3] | .900 | 269 | 7.7 | 16 | 1.6 | 1,098 | | 21 | .11 | .20 |
| Corn grits [3 4] | .338 | 555 | 13.4 | 6 | 7.1 | 676 | | | .68 | .41 |
| Cornmeal, degermed [3 4 5] | 2.000 | 3,302 | 71.6 | 54 | 42.0 | 4,000 | | | 4.00 | 2.40 |
| Egg mix, scrambled, dehydrated | .450 | 1,147 | 73.3 | 1,033 | 9.8 | 4,635 | 3,245 | 4 | .57 | 2.43 |
| Lentils, dry | .350 | 540 | 39.2 | 125 | 10.8 | 95 | | | .59 | .35 |
| Macaroni, milk [6] | .900 | 1,494 | 51.9 | 241 | 11.7 | 171 | | | 3.60 | 1.53 |
| Meat, chopped, canned | 1.556 | 2,076 | 105.8 | 64 | 15.6 | | | | 2.19 | 1.48 |
| Milk, evaporated [7] | 1.356 | 842 | 43.1 | 1,550 | .7 | 1,993 | 1,395 | 7 | .24 | 2.06 |
| Milk, nonfat dry, regular [8] | 2.000 | 3,294 | 325.6 | 11,866 | 5.4 | 19,960 | 19,876 | 64 | 3.18 | 16.32 |
| Oats, rolled | .900 | 1,592 | 58.0 | 216 | 18.4 | | | | 2.45 | .58 |
| Orange juice, sw., canned [3 9] | 2,814 | 664 | 9.0 | 127 | 5.1 | 2,561 | | 509 | .90 | .25 |
| Peanut butter | .630 | 1,663 | 72.9 | 175 | 5.7 | | | | .36 | .36 |
| Peas, split, dry | .350 | 553 | 38.4 | 53 | 8.1 | 189 | | | 1.18 | .46 |
| Potatoes, dehydrated granules [10] | .900 | 1,437 | 33.8 | 180 | 9.8 | 14,400 | 14,400 | 718 | .66 | .46 |
| Poultry, boned, canned [11] | 1.566 | 1,384 | 152.1 | 69 | 9.2 | 908 | 636 | | .14 | 7.00 |
| Prunes, dried | .150 | 147 | 1.2 | 30 | 2.3 | 926 | | 2 | .05 | .10 |
| Raisins | .604 | 792 | 6.8 | 170 | 9.6 | 60 | | 3 | .31 | .22 |
| Rice, regular [12] | 1.581 | 2,604 | 48.1 | 172 | 33.2 | | | | 3.16 | .22 |
| Shortening [3 13] | .907 | 3,637 | 0 | | 0 | | | | 0 | 0 |
| Sirup, corn | .992 | 1,304 | 0 | 207 | 18.5 | | | | 0 | |
| Wheat flour, all-purpose [14] | 4.000 | 6,604 | 190.4 | 292 | 52.0 | | | | 8.00 | 4.80 |
| Total | | 43,323 | 1,607.9 | 21,211 | 333.5 | 71,484 | 53,306 | 1,333 | 36.73 | 39.21 |
| Per day | | 1,425 | 52.9 | 698 | 11.0 | 2,351 | 1,753 | 44 | 1.21 | 1.29 |

Note: Nutritive values are based on the commodity as specified in the USDA purchase announcement of the date indicated in table 7, "Nutritive Value of 1 Pound of Foods Offered for Families in Commodity Distribution Program." Changes in such specifications might affect the nutritive value of the commodity.

[1] Based on foods distributed to families, 1969, except applesauce, lentils, and macaroni which are estimated.

[2] Fortified: 195 mg. ascorbic acid per pound.

[3] One 46-fl. oz can may replace one 46-fl. oz. can of sweetened orange juice.

[4] 2½ 18-fl. oz. cans may replace one 46-fl. oz. can of sweetened orange juice.

[5] May replace whole-kernel corn.

[6] May replace canned boned poultry.

[7] Three-fourths of a 2-lb. loaf may replace 5/16 of a 5-lb. loaf.

[8] Vitamin A values based on yellow varieties; white varieties contain only a trace of vitamin A value.

[9] Enriched: 21 mg. iron, 2 mg. thiamin, 1.2 mg. riboflavin, and 16 mg. niacin per pound. 1 2-lb. package may replace ½ 5-lb. package of conrmeal.

[10] One 1-lb. can may replace ½ 1-lb. 14 oz. can shortening.

[11] One-half of a 1-lb. 14-oz. can may replace ⅓ of a 1-lb. 14-oz. can shortening.

[12] One-half of a 3-lb. can may replace ½ of a 1-lb. 14-oz. can shortening.

[13] Enriched: 13 mg. iron, 4 mg. thiamin, 1.7 mg. riboflavin, and 27 mg. niacin per pound. May replace milk macaroni.

[14] Fortified: 9,980 I.U. vitamin A and 1,996 I.U. vitamin D per pound. May replace regular nonfat dry milk.

TABLE 5.—SUMMARY OF NUTRITIVE VALUE, AS PERCENT OF RECOMMENDED DIETARY ALLOWANCES,[1] SUPPLIED BY FOODS IN REPRESENTATIVE PACKAGE OFFERED AND DISTRIBUTED BY USDA TO STATES FOR FAMILIES IN COMMODITY DISTRIBUTION PROGRAM, JUNE 1, 1970

[In percent]

| Nutrient | Foods offered by USDA [2] | Foods actually distributed [3] |
|---|---|---|
| Food energy | 82 | 60 |
| Protein | 156 | 104 |
| Calcium | 137 | 73 |
| Iron | 124 | 91 |
| Vitamin A value [4] | 136 | 87 |
| Ascorbic acid | 105 | 90 |
| Thiamin | 138 | 101 |
| Riboflavin | 154 | 91 |

[1] National Academy of Sciences-National Research Council, Pub. 1694, 1968. RDA based on average allowances for 1 person in family of 4 (man and woman, 22 to 35 years; boy, 11 years; and girl, 8 years).

[2] Representative package of 26 foods in average amounts suggested by USDA for 1 person in 4-person household: applesauce, dry beans, bulgur, butter, cheese, canned whole-kernel corn, corn grits, cornmeal, dry lentils, milk macaroni, canned chopped meat, evaporated milk, regular nonfat dry milk, rolled oats, canned orange juice, peanut butter, dry split peas, dehydrated potato granules, canned boned poultry, dried prunes, raisins, rice, shortening, scrambled egg mix, corn sirup, and all-purpose wheat flour. The list of foods, and amounts of single foods are subject to change without notice.

[3] Amounts of 26 foods in representative package based on records of distribution to families, 1969, except applesauce, lentils, and macaroni which are estimated.

[4] Assumes 75 percent is preformed vitamin A.

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FROM THE AGRICULTURE RESEARCH SERVICE

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AGRICULTURAL RESEARCH SERVICE,
*Washington, D.C., September 8, 1971.*

Hon. CHARLES H. PERCY,
*U.S. Senate.*

DEAR SENATOR PERCY: This is in response to the telephone request of Mr. Jud Sommer of your office for information on the fortification of certain products distributed in the domestic food distribution program as compared to the fortification of these products as provided by the Government for the overseas distribution program under PL 480, Title II.

In the table enclosed this comparison is given for wheat flour, corn meal, bulgur, and non-fat dry milk. It will be noted that flour provided under PL 480, Title II Program is fortified with vitamin A and calcium in addition to the supplemental nutrients required in U.S. enriched flour: iron, thiamine, riboflavin, and niacin. Vitamin A and calcium were added in view of overt symptoms of deficiencies of these nutrients in the developing countries. In addition to the enriched flour, the Department also distributes a lysine-fortified, doubly-enriched flour to selected population groups whose flour consumption is relatively high and who have special need for the added nutrients.

For corn meal, rice, and corn grits, the minimum level of iron fortification required in the product distributed in the Department Commodity Distribution Program is higher than the minimum required by the Federal Standards of Identity for these enriched products. The USDA minimum is, however, within the range specified in the Federal Standards of Identity.

As indicated in the table, bulgur provided under PL 480, Title II, to certain overseas programs is fortified with lysine. Currently, the major part of the bulgur in the Title II programs, like that in the U.S. Commodity Distribution Program, is not fortified. Bulgur is a whole grain product and retains a high percentage of the vitamins and minerals native to wheat.

Non-fat dry milk distributed in both the domestic and overseas programs is fortified with vitamin A and vitamin D.

A question was raised concerning the distribution of CSM (Corn-Soy-Milk) mix and WSB (Wheat-Soy Blend) in the overseas program but not in the domestic program. These products were designed specifically to meet the requirements of a child food supplement for the overseas distribution programs. For this purpose, a single food was needed which would provide in one serving

a substantial portion of the daily requirements for protein, vitamins, and minerals. As used overseas, CSM and WSB may be the single and only food served in the school lunch program or in programs for preschool children. This is in contrast to the domestic school lunch program in which the essential nutrients are obtained from serving a variety of foods and a single food need not be relied upon to provide all nutrients.

A consideration in the distribution of foods in the domestic programs is their availability in the commercial market. If a new food introduced into the domestic distribution program is to have maximum nutritional impact, it is desirable that this product be available in the retail market. The product would also be available to food stamp recipients and to families not participating in the distribution program.

The Department distributes supplemental foods directed to the special needs of infants, children, and pregnant and post-partum women. An example of a cereal product distributed in the supplemental food program is iron-fortified farina. This product is listed in the table. Iron-fortified instant rice cereal, comparable to the product available commercially as a baby food, also has been distributed as a supplementary food. These cereals are fortified with a relatively high level of iron to meet the special requirements of the recipient group. A number of other products providing protein, vitamins, and other nutrients are also distributed as supplemental foods. Included are evaporated milk, instant non-fat dry milk, canned meat and poultry, canned juice, and canned vegetables and fruit.

We hope this information will be helpful to you.

Sincerely,

F. R. SENTI,
*Deputy Administrator.*

Enclosure.

NUTRIENTS PER 100 GRAMS, MINIMUM LEVEL

| | Iron (mg.) | Thiamine (mg.) | Riboflavin (mg.) | Niacin (mg.) | Vitamin A (IU) | Vitamin D (IU) | Calcium (mg.) | Lysine (mg.) |
|---|---|---|---|---|---|---|---|---|
| Wheat flour: | | | | | | | | |
| USDA, general distribution | 2.9 | 0.44 | 0.26 | 3.5 | | | | |
| USDA, special programs | 6.0 | .88 | .53 | 7.1 | | | | 300 |
| USA market, enriched | 2.9 | .44 | .26 | 3.5 | | | | |
| Public Law 480, Title II program | 2.9 | .44 | .26 | 3.5 | 4,000 | | 500 | |
| Corn meal: | | | | | | | | |
| USDA, general distribution | 4.6 | .44 | .26 | 3.5 | | | | |
| Public Law 480, Title II program | 2.9 | .44 | .26 | 3.5 | 4,000 | | 500 | |
| USA market, enriched | 2.9 | .44 | .26 | 3.5 | | | | |
| Bulgur: | | | | | | | | |
| USDA, general distribution | | | | | | | | |
| Public Law 480, Title II program | | | | | | | | |
| Public Law 480, Title II special program | | | | | | | | 100 |
| Nonfat dry milk: | | | | | | | | |
| USDA general distribution | | | | | 2,200 | 400 | | |
| Public Law 480, Title II program | | | | | 2,200 | 400 | | |
| Farina, quick-cooking: | | | | | | | | |
| USDA supplementary food distribution program | 40 | .44 | .26 | 3.5 | | | | |
| USDA market, enriched | 42 | .44 | .26 | 3.5 | | | | |

## Information Subsequent to the Hearings

[From the Chicago Sun-Times, Sept. 24, 1971]

### PERCY, OTHERS DINE ON SURPLUS FOODS

By Morton Kondracke

WASHINGTON.—Sen. Charles H. Percy (R-Ill.) invited some friends to dine Wednesday on food such as the U.S. Agriculture Department supplies to the poor. No one went back for seconds.

According to Agriculture officials, the luncheon was entirely nutritious and pure, and, indeed, no one became sick on the premises.

If you had the stomach to disregard its appearance and actually eat it, the food did not taste all that bad. A few persons smiled and said it was good, but they were later identified as employes of the Agriculture Department.

#### JUICE WITH A BITE

The meal consisted of chicken and rice, which was flat but edible; canned pork that was distinguishable as meat but indistinguishable as pork; eggs that had been reconstituted to look and taste like yellow hominy grits; processed cheese that tasted like processed cheese; green beans that were good, and tomato juice with a bite to it that suggested aged tin can.

In addition, there was canned spiced ham, which was terrible. But then, it always is.

Percy served this fare on the final day of hearings by the Senate Select Committee on Nutrition and Human Needs on the Agriculture Department's Commodity Distribution Program, which serves 3.5 million poor persons living in 1,051 counties in the nation which do not participate in the food stamp program.

#### 22 KINDS OF FARE

Food stamps, available in all counties in Illinois, allow a recipient to choose his own foods at the market. Under commodities, the Agriculture Department distributes 22 kinds of surplus food to states, which then hand it out to the poor.

Gingerly moving his chicken and rice about with a fork, Percy asserted that the program "is designed to take surplus products off the hands of producers, rather than to solve the nutritional problems of the poor."

He said that his meal "seems to be good, for the most part, as prepared by the cooks in the Senate restaurant."

He said, however, that only 22 commodities are included in the commodity program and "some of those are in short supply."

#### CLAIM LOW NUTRITIONAL REQUIREMENTS

In addition, according to Percy, "an elderly widow has to lug a whole month's supply at a time up to her small apartment, and she may or may not have a refrigerator big enough to keep large cans of commodities fresh once they are opened."

The committee heard testimony that most poor persons relying on commodities get enough food to supply only 54 per cent of their caloric requirements and an even lower percentage of their nutritional requirements.

Assistant Agriculture Sec. Richard Lyng said that the nutritional value of the basis commodity package has been increased so that it provides 100 per cent of daily vitamin requirements and 80 per cent of calorie needs when all commodities are available.

#### DODGES RESPONSIBILITY

Charges were made before the committee that spoiled food had been found in some state warehouses. Lyng said that his department's authority stopped when the food was delivered to states.

Sen. Richard Schweiker (R-Pa.), who joined Percy and Lyng for lunch, remarked that, "I'd find it difficult to stand this kind of meal regularly. It may be nutritious, but taste and appearance are important, too."

Lyng, who cleaned his plate except for some rice and potatoes he said his diet would not permit him to eat, said of the meal, "I find it very tasty."

Lyng was overheard to comment to Schweiker that "I did pretty well with the food, but I just can't drink the milk," which Lyng said had been improperly reconstituted.

FROM THE DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

FOOD AND DRUG ADMINISTRATION,
*Washington, D.C., October 4, 1971.*

ROBERT S. CHOATE AND ASSOCIATES,
*Washington, D.C.*

DEAR MR. CHOATE: We have now completed our examination of the canned foods which you discussed with Dr. Schaffner by telephone on September 14, 1971, and which were subsequently delivered to his office by messenger. Since Dr. Schaffner is out of town, he asked that I reply to you.

The intact can of evaporated milk, code VG1052, was soiled and corroded and the can ends were bulged. The contents were lumpy, with a pH of 5.3 indicating protein destabilization, contained many fine bubbles and had a strong odor of decomposition. Direct microscopic examination showed no bacteria present. No botulinal toxin was found, either preformed or after culturing, by intraperitoneal injection in unprotected mice. Based on these findings, we would consider this product to be unfit for food. We understand from USDA that this can of evaporated milk was packed 7–5–71 by Carnation, Inc., Gustine, California and graded by USDA on 7–7–71. The empty evaporated milk can, code VG1052, was soiled, corroded and ruptured along the side seam and was not otherwise examined.

The intact can of tomatoes, code W127–T3C, was soiled and corroded but the ends were flat. The inside can enamel was intact except for some darkening along the side seam. The can contents were normal in appearance and odor and had a pH of 4.2 classifying the product as an acid food not subject to botulinal contamination. Direct microscopic examination showed the presence of a few short gram negative rods and one gram negative filament—not unusual for canned tomatoes. No botulinal toxin was found, either preformed or after culturing, by intraperitoneal injection in unprotected mice. Based on these findings, we would consider this product to be fit for food. We understand from USDA that this can of tomatoes was packed by the Hickmott Canning Company of Antioch, California, in 1970.

The empty orange juice can, code 5900 H536, was soiled and corroded and the ends were severely bulged. It is our understanding that you were informed by USDA that the warehouse lots from which these cans were taken were scheduled for destruction. We trust, however, that the above information will be helpful to you.

Sincerely yours,

P. G. HARRILL, Ph. D.,
*Acting Deputy Director,*
*Division of Food Technology.*

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